FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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U.S. real estate: deadline for foreign investors, Page 5

NEWS SUMMARY

GENERAL

Kohl offers post to Strauss

The Bavarian leader, Franz Josef Strauss, has been offered a post in the new West German Government by Chancellor Helmut Kohl. Herr Strauss is expected to announce at the latest on Saturday whether be will accept.

This announcement followed another round of negotiations between the Bavarian Christian Social Union (CSU) and Herr Kohl's Christian Democratic Union (CDU).

The two parties are aiming to form a government coalition with the Liberal Free Democrats (FDP) following their general election victory of March 6.

Byrne candidacy

Chicago Mayor Jane Byrne said she will campaign for voters to write her name in on the voting card in the city's mayoral election.

Barry appeal

Mr Peter Barry, the Irish Foreign Minister, yesterday issued an exceptionally strong eve-of-St Patrick's day appeal to Americans oot to support the "vengeful and narrow" approach of the IRA which has consistently been rejected by the vast majority of the Irish people.

Greens' steel plan

West Germany's Greens party unveiled its plan for a "social and ecological" reform of the country's ailing steel industry.

Gibraltar talks

Spain hopes to clarify the terms of reference for negotiations on British-ruled Gibraltar's future during Foreign Minister Fernando Moran's current visit to London. Page 3

Nato setback

Belgium has informed Nato that budgetary constraints were forcing it to give up plans to buy the Patriot missile, Nato's main air defence system. Page 3

Ayerza resigns

Uncertainty over the future direction of Argentine economic policy deepend yesterday with the resignation of Sr Alberto Ayerza, the deputy governor of the Central Bank and one of the country's leading foreign debt negotiators.

Beirut attacks

Nine Italian and five U.S. members of the multinational peacekeeping force in Lebanon were wounded in attacks close to Beirut. Page 6

Sub identified

Norwegian navy officers helped Sweden identify one of a number of submarines in Swedish waters last October as a Nato vessel, Swedish and foreign defence sources said.

16m birds desert

The entire adult population of more than 16m birds has vanished from the Pacific atoll of Christmas Island following unusual climatic changes

Pavarotti booed

Italian opera star Luciano Pavarotti, making his first appearance at La Scala in three years, was booed in the last act of Donizetti's Lucia di Lammermoor.

Briefly...

About 15,000 people have died of cholera in Bangladesh in the last seven months.

Greek President Constantine Karamanlis promised support for Portugal's bid to join the *EEC*.

Soccer: Hamburger SV, Juventus, Real Sociedad and Widzew Lodz advanced to European champions' cup semi-finals.

BUSINESS

Deutsche Babcock may omit dividend

● DEUTSCHE BABCOCK, the West German power station and mechanical engineering group, may have to omit a dividend for the second year running, despite a strong boost in orders and sales in the first months to end February. Page 22

● STERLING fell 65 points to $1.508, to DM 3.595 (DM 3.6175), SwFr 3.095 (SwFr 3.1075) and Y358 (Y359.5) but rose to FFr 10.325 (FFr 10.22). Its Bank of England trade-weighted index slipped from 79.4 to 79.3. Page 40

● DOLLAR rose to FFr 6.85 (6.75), SwFr 2.0525 (SwFr 2.051) and Y237.4 (Y237.25) but eased to DM 2.383 (DM 2.387). Its trade-weighted index rose from 119.9 to 120.4. Page 40

● GOLD closed $13 lower in London at $419.5, $16 lower in Frankfurt at $419.25 and $13.25 lower in Zurich at $419.75. Page 37

● LONDON: FT Industrial Ordinary index fell 2.3 to close at 671.3 Government securities also slipped. Page 36, FT Share Information Service, Pages 38, 39

● WALL STREET: Dow Jones index closed 8.52 down at 1,116.0. Page 33. Full share listings, Pages 34–36

● TOKYO: Nikkei Dow index closed 58.30 up at 8,170.13. Stock Exchange index rose 5.35 to 602.26. Pages 33, 36.

● HONG KONG: Hang Seng index slipped 0.44 to 1,024.07. Page 33, 36

● AUSTRALIAN all-share index eased 0.5 to 513.9. Page 33, 36

● FRANKFURT: Commerzbank index rose 13.1 to 857.6. Pages 33, 36

● U.S. BANKS reveal some sharp differences in how they are seeking to present information about troubled overseas loans, and some leading banks appear reluctant to provide comparative figures. Page 22

● AUSTRALIA cut the price of its locally produced crude oil by A$2 a barrel ($1.75). Page 6

● SWEDEN'S industrial production increased by 2.4 per cent from January 1982. Page 2

● ITALY would have to make cuts in public spending if its record public sector deficit was not to get worse, Bank of Italy governor Carlo Ciampi warned. Page 3

● CHINA and the Soviet Union agreed to increase their bilateral trade by more than 250 per cent this year.

● SOVIET UNION agreed in principle to financial and technical support for private-sector companies in Pakistan to develop three steel projects at a cost of about $350m. Page 22

● EUROPEAN COMMISSION adopted proposals to raise the traveller's entitlement to duty-free goods.

● PERU has gained the support of the International Monetary Fund for the $80m loan it has requested from commercial banks to help it cover foreign borrowing needs for 1983. Page 22

● BULGARIA agreed to finance Nicaraguan purchases of Bulgarian goods for investment projects in exchange for Sofia's purchase of coffee, cotton and minerals. Page 7

● FRENCH electronics manufacturers are trying to block Japanese moves to huild car radios in France. Page 7

● EAST GERMANY is determined to export more to the West and to meet its international debt obligations, the trade secretary said. Page 7

● ITALIAN businesses are getting smaller but are multiplying, according to a census. Page 2

Bank of France puts speculators on the run

BY DAVID MARSH IN PARIS

FREQUENTLY during periods of rampant speculation on the foreign exchange markets, central banks have the reputation of being purely on the losing side. This month, during the dramatic unfolding of events surrounding the fate of the French franc in the European Monetary System (EMS), it has not worked out that way.

By pushing up very short-term interest rates on franc borrowings in foreign banking centres to unheard-of levels of several thousand per cent, the Bank of France has turned the most red-blooded currency speculators into frightened rabbits running for cover.

The bank has carried out its tactics, with military precision, on a theatre of monetary warfare into which it has rarely before ventured. This is the shadowy market in Euro-French francs – the market in short-term borrowing and lending "non-resident" francs, carried out between foreign companies and investors and international banks in centres like London, New York and Frankfurt.

For the first time, by using French and other banks in foreign centres to drive up the price of funds on the Euro-French franc market, the bank has managed to protect the franc without digging into the country's foreign exchange reserves or driving up domestic interest rates.

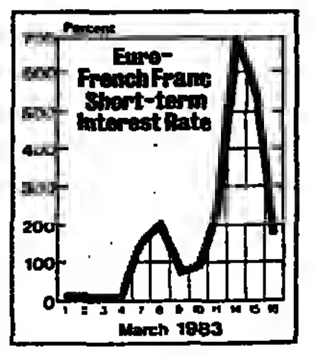
With overnight rates on the Euro-franc market hitting 5,000 per cent (at an annual rate) and more earlier this week, speculators have been hit where it hurts most.

Interest rates for the shortest periods yesterday subsided to more normal levels. But the Bank of France maintained rates at levels of between 200 and 350 per cent for Euro-borrowings over periods taking in the coming weekend – just to discourage speculators gambling to make money out of any EMS realignment on Sunday night.

One Euro-franc dealer in London commented yesterday: "Speculators with uncovered positions have lost far more money than could have been made out of a devaluation. The Bank of France came in on Monday and Tuesday to drive up rates and make people pay through their noses – to make sure they don't do it again."

The operation is only possible because of strict French exchange controls which provide for almost complete separation between the domestic and external markets in borrowing and lending French francs.

It is also very costly. Although Franre's foreign exchange reserves remain untouched, it is the Bank of France – and ultimately the French taxpayer – who foots the bill for the astronomical interest rates which agent banks abroad are being authorised to offer for Euro-franc deposits. *Money markets, Page 40*



Washington expected to open talks on Gatt reforms with Europe

BY NANCY DUNNE IN WASHINGTON

The U.S. is expected to discuss possible reforms to the General Agreement on Tariffs and Trade (Gatt) during meetings today with EEC officials over the contentious issue of agricultural export subsidies.

American views are expected to get an airing at informal talks between trade officials from Washington and the EEC, who will meet today and tomorrow to discuss agricultural export subsidies, an issue which has renewed tensions between the world's two most important trading hlocs.

In considering reforms, U.S. trade officials are understood to have sounded out their opposite oumbers in Canada, Japan, Scandinavia, Brazil, South Korea and the Asean bloc of nations. Discussions are reported to have taken place with the UK and West Germany, hut not with France, which is viewed as a certain opponent to any modification of EEC subsidies to the Community's agriculture industry.

Since the early days of the Reagan Administration trade officials in Washington have expressed doubts about the Gatt subsidy code and trade dispute settlement procedures. Their dissatisfaction grew after the Gatt ministerial meeting in November failed to deal conclusively with agricultural export subsidies and barriers to services exports.

The Gatt ministerial conference was able only to set up a committee to examine all aspects of agricultural trade, hut it was agreed it should make recommendations oo trade liberalisation by the end of 1984.

The reform measures embrace three options:

● A "Gatt plus" trading structure outside Gatt which would be formed by a group of nations which agree to engage in freer trade than under the existing Gatt structure.

● A "Super-Gatt" which would unite a group of nations for the purpose of exercising trade leadership. Such a body would hope to draw to support of other trading nations.

● A "Gatt of the like-minded" which would revolve around countries agreeing to cut trade barriers and inviting other nations to join in.

U.S. officials, in preferring their ideas, say their aim is to strengthen Gatt, not to withdraw from it. The Government is not expected to push for any formal action immediately.

Many observers point out that while the Reagan Administratioo consistently praises the concept of free trade, it has made no open move to quash legislation in Congress, which would fund trade skirmishes over agricultural exports.

Administration officials repeatedly have said they will not allow U.S. farmers to lose their overseas markets in the face of subsidised agricultural exports from the EEC.

Accord near on $3bn North Sea oil development projects

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

NORTH Sea companies are close to agreeing with the British Government on three oil development projects at an estimated cost of well over £2bn.

Prospects for early decisions on these developments bave been boosted by new tax reliefs for offshore oilfields announced in the UK budget on Tuesday. Three offshore oil consortia are now finalising their development plans with Energy Department officials.

The schemes would involve the exploitation of Sun Oil's Balmoral field, British Petroleum's East Forties reservoir, which forms part of the big Forties field, and Marathon's North Brae field. Stockbrokers Wood, Mackenzie say these fields would add between 330m and 430m barrels to the UK's proven recoverable reserves, which stand at about *12bn barrels.*

The projects are in addition to three gas developments, involving a total investment of between £750m and £1bn ($1.13bn and $1.51bn), which are also expected to be approved hy the Government and oil companies within the near future. These gas projects will involve development work on British Gas's Rough field, Shell and Esso's South-East Indefatigable discovery, and Amoco's East Leman field.

Other oil and gas development projects are also being evaluated by the offshore industry, much to the relief of equipment manufacturers and service companies. In the past few years, the pace of development has fallen significantly, partly as a result of the concern about high taxation and falling oil prices. There are now clear signs that North Sea development activity is about to be revived, helped in part by the latest tax changes and British Gas Corporation's decision to pay much higher prices for supplies.

The most ambitious of the three oil projects now being discussed would involve the development of North Brae. Costing over £1.5bn, the venture would include the installation of a large platform capable of extracting recoverable reserves estimated to be at least 150m to 180m barrels of oil and 850bn cubic feet of gas. Production is expected to begin in 1988 or 1989.

Marathon, the field's operator, would not comment oo its development plans yesterday, but it was "very encouraged" by the "positive steps" taken in the budget. The expected tax benefits would be carefully assessed against movements in world oil prices, the company added. Marathon's partners include Bow Valley, Britoil, BC Resources, Kerr McGee, Louisiana Land and Exploration, Saga and Sovereign.

BP's plan to exploit East Forties – the south-eastern portion of the company's Forties field – is likely to involve an investment of about £350m. BP and its partners, Shell and Esso, are expected to use a seabed production system linked to one of the Forties platforms

Ultramar may buy Pittston unit

BY RICHARD JOHNS IN LONDON

ULTRAMAR, the UK independent oil company, has reached provisional agreement with Pittston, a Connecticut-based concern, on the purchase of its petroleum distributioo and marketing chain in the north-east U.S.

The company yesterday would *not put a figure on the prospective* deal. But it is likely to be completed by the end of April with payment in cash and on the basis of net book value plus certain net assets. Analysts in New York believe the purchase will cost Ultramar about $100m.

*A recently signed conditional let*ter of intent involves the acquisition by Ultramar America, the British company's wholly-owned subsidiary, of Pittston Petroleum, a *wholly-owned* Pittston subsidiary of which markets about 90,000 barrels a day of refined products and employs 700 people. Its assets include 27 terminals with a capacity of 11m barrels, eight barges and 400 trucks.

Ultramar last month raised £104.8m ($158.5m) by way of a rights issue aimed at strengthening its balance sheet and giving it greater scope for expansion. The company is engaged in a big capital expenditure programme

Pittston has other interests, in coal mining and marketing security services, trucking and warehousing.

Warning on farm price war with U.S.

By Larry Klinger in Brussels

MR CHRISTOPHER Tugendhat, European Commissioner for budgetary affairs, has warned that a trade war with the U.S. over farm produce could be disastrous for European Community finances.

A 20 per cent fall in world farm prices as a result of a trade war over subsidised sales could add more than 32 per cent to the EEC's planned spending this year to support exports of dairy products, cereals, beef and poultry, the budget commissioner says in a letter to Commission president Gaston Thorn.

The warning precedes the opening today of high-level talks in Washington aimed at avoiding a trade war between the EEC and the U.S.

Commissioners Wilhelm Haferkamp and Poul Dalsager are meeting Mr William Brock, the U.S. Special Trade Representative, and Mr John Block, the Secretary for Agriculture, in an effort to consolidate an uneasy truce agreed by the two sides in December.

In his letter Mr Tugendhat gave no estimates for the possible cost to the U.S. of such a trade war. The financial consequences would also be significant *for the U.S. especially in subsi*dising exports of cereals, he said, but "my impression is that the Americans are fortuitously better placed currently than we to absorb such expenditure."

Current EEC agricultural spending is already running well

Continned on Page 22

Economy splits French Cabinet

BY DAVID HOUSEGO IN PARIS

AN EMBARRASSING image of muddle and of divisions over economic policy have been left by two days of dramatic political manoeuvring in Paris, at the end of which President Mitterrand postponed the Cabinet reshuffle be intended to carry through in the wake of the municipal elections.

The seriousness of the affair is that Franre is approaching critical negotiations with West Germany during the next few days over a realignment within the EMS with differences of view still unresolved. These concern the extent of the anti-inflationary measures that *would accompany a devaluation of* the Freoch franc. M Jacques Delors, the Finance Minister, has said that the EMS will be discussed among heads of state at the EEC summit on Monday, but Paris and Bonn remain at odds oo which curreocy will bear the weight of a change of parity.

The lighter side to the mishandling of the reshuffle was reflected in the differing accounts yesterday of what took place at the weekly Cabinet meeting. M Jean-Pierre Chevènemeot, the Minister of Industry, and one of those expected to lose his post, emerged saying that changes in the Government had been discussed. M Jacques Attali, special adviser to the President and the governmeot spokesman on such operations, denied that they had, adding that "comments on the cabinet meetiog are made here and nowhere else."

No official announcement has been made that the reshuffle has been postponed. The Elysée said yesterday that the President wanted to put some distance between the municipal sections and the issue of possible Government changes.

In fact, President Mitterrand had made bis dispositions before Sunday's second-round poll. These involved tough measure to bring down the trade deficit and inflation, while possibly giving them added credibility by making M Jacques Delors Prime Minister.

The hitch in this timetable came with the second-round result, which showed an uoexpected groundswell of support for the governoient from traditional Socialist lollowers, reflecting their concerns over issues such as job security. It also showed thot M Pierre Mauroy, the Prime Minister, had strong support among the party rank and file.

To the Communists, as well, M Mauroy remains the main guarantee that there will be no major backsliding over the coalition's goals. M Mauroy's view is thot the main anti-inflationary measures have already been taken and that all that is required now is fine tuning that does not affect the Government's employment goals. M Mauroy's future is once again in doubt.

M Mitterrand thus decided after Sunday's result that he would like M Mauroy to stay on as Prime Minister for a while. The prohlem is that M Mauroy has made known that be does not want to be seen as the Prime Minister who carried out a "third devaluation." Nor is he willing to go back on his pre-election pledges that there would be no fundameotal changes in policy. With the Elysée and the Prime Minister thus at odds over tactics and policy, the decisioo over a Cabinet reshuffle was postponed.

The division comes at a time when *M Mitterrand* had himself been wavering over whether lower oil prices and a potential world economic recovery would allow him to tone down measures that are unpopular with the Left's electoral following.

A battery of measures bave already been prepared to curb the external deficit and inflation

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EUROPEAN NEWS

Siberian coal project a hostage to Japanese industrial change

BY ANTHONY ROBINSON, RECENTLY IN NERYUNGRI

WHEN A BIG delegation of Japanese businessmen and bankers came to Moscow recently, one of the major concerns of their Soviet hosts was to impress upon them Moscow's continuing desire for Japanese participation in the development of Yakutia and eastern Siberia.

A decade ago, when the energy crisis was about to erupt and Japanese heavy industry, steel and shipbuilding were still in headlong expansion, Siberia was seen as a major new source of raw materials and energy, not only by Japan but also by U.S. and European companies.

The Soviet deciaion to invest vast sums in construction of the BAM railway was intended to provide the basic transport infrastructure for exploiting the mines and gas fields which foreign capital and equipment would help to develop.

But in the meantime the international political and economic climate has changed radically.

Worsening U.S.-Soviet political relations and growing doubts over the eventual cost first led U.S. companies to shelve plans for a 2,000 km pipeline to carry 30bn cu metres of Yakutia natural gas from the Yelui River deposits to gas liquefaction plants on the Pacific coast. Japanese companies made it clear that they were not prepared to go ahead on the $10bn plus venture without U.S. participation.

But what has changed most over the past decade is the structure of Japan's industry, which has moved progressively away from heavy energy and raw material consuming industry to the electronic and other high technology sectors.

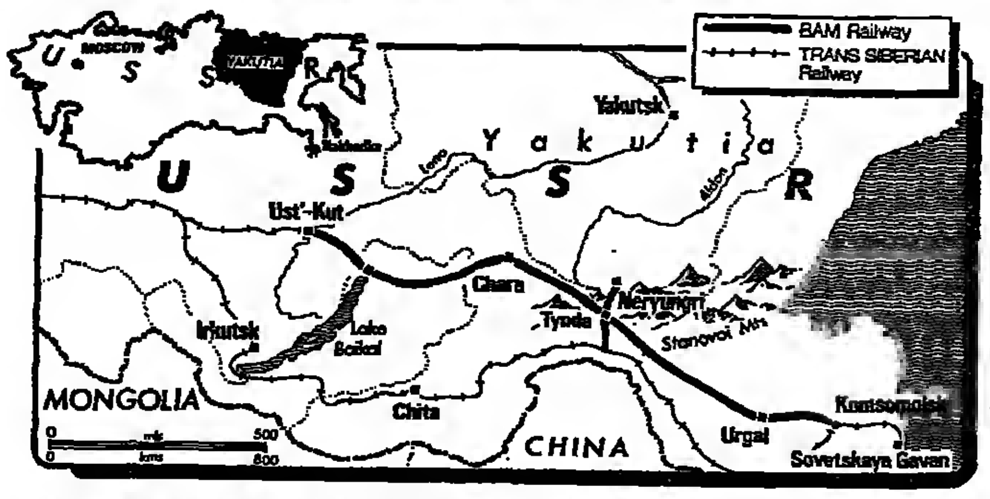
The drastic downward revision of future estimates of import requirements, not only by Japan but by other manufacturing nations, is part of a global process which haa conspired to make the high-cost development of Siberian resources look much less urgent and much less attractive.

This is the unpalatable message which Japanese bankers and businessmen politely tried to get across in Moscow while still confirming their interest in supplying plant, equipment and trade financing.

Experience so far, however, suggests that any Soviet decision to press ahead with the development of eastern Siberia alone, without a radical reduction in costs and higher efficiency, risks transforming these huge potential assets into a major drain on the Soviet economy.

A case in point is the Neryungri coal complex where a new town, a 400 km railway link to the main BAM line and an open-cast coal mine with 430m tons of high quality steam and coking coal is taking shape.

Neryungri is the only one out of the many Soviet-Japanese co-operation projects discussed a decade ago which has actually gone ahead in Yakutia. In 1974 Japan arranged a $450m credit facility to be used mainly for the import of Japanese plant and equipment, and to be repaid indirectly through the shipment of 3.2m tons of enriched coking coal annually at world prices.



The mine itself is now nearing completion. The deposit lies in a compact bowl-shaped formation whose deepest part requires the stripping of 350 metres of hard rock over-burden. To strip this away the Soviet Union bought powerful Sumitomo-Marion hydraulic bucket shovels, high capacity dumper trucks from Komatsu, and Unit-Rig, as well as Kato cranes, drilling equipment and other foreign plant. This was supplemented by Soviet-made equipment such as the EKG series of mechanical power shovels from the Uralmash plant in Sverdlovsk and dumper trucks from Nelaz and other Soviet makers.

None of the foreign equipment purchased had ever been used in the harsh climatic conditions of Yakutia, where engines have to run continuously throughout the nine-month winter and where temperatures frequently drop below 50 degrees centigrade. Neither did the purchasers buy sufficient spare parts for the equipment.

As a result for 60 per cent of the time much of the plant cannot function. Furthermore this expensive body of equipment was assembled before covered maintenance and repair shops were built. Two years ago Pravda stated that "the lack of a repair base for excavators, drilling rigs, and maintenance tools and repair shops for hydraulic equipment is having a strong negative impact on schedules for bringing the mine up to full capacity."

During a visit to the mine recently its new manager, Mr Victor Zhdamirov, who was appointed six months ago after a purge of former managers, confirmed that the maintenance base is still under construction and will not be finished until 1985.

One of the biggest problems has been caused by the hydraulic systems of the Sumitomo-Marion excavators which tend to freeze and burst below minus 35 degrees. Sumitomo engineers have spent four years modifying the equipment, but they point out that it requires aviation-quality hydraulic liquid that must be kept clear of all impurities—conditions virtually impossible to achieve at an open cast mine site without covered facilities.

Dump trucks have also suffered from the combination of heavy loads, permafrost terrain and temperatures which make ordinary rubber and plastics as brittle as glass.

The result of all this is that the plan for stripping over-burden is 190 cu metres behind schedule and construction teams are having to race against time to complete both the coal enrichment plant and the new coal-fired power station complex.

The mine and enrichment plant are due to be fully operational by the revised target date of 1985. By this time the mine should be producing 9m tons of coking and 4m tons of steam coal annually. Of this total 5.3m tons of coking coal are earmarked for Japan, although by the time it is processed through the enrichment plant only 3.2m tons of enriched coal will actually be shipped by rail the 2,000 km to the Nakhodka coal shipment port on the Pacific. The rest will be used at the power station or elsewhere in Siberia.

At present only the metal frames of the enrichment plant and associated loading and washing facilities are being built although Mr Viktor Vodopianov, the impressive 43-year-old chief engineer, insisted that it will be fully operational by 1985 when deliveries to Japan are scheduled to start.

This year the mine is scheduled to produce 5.7m tons of coal and remove 50m cubic metres of overburden. Over at the power station construction site 30 km away, however, no turbines have yet been installed in the cavernous steel-clad station building and the concrete foundations have still not been built.

About 10,000 workers are currently employed building the station, dam and associated facilities. By 1987 its six 210 Mw generating units will provide 1,200 Mw of power but the project manager, Mr Viktor Kamenev, did not seem entirely convincing when he stated that the first unit will come on stream by the end of this year.

Standing on the edge of the mine in the numbing cold and looking out over the vast pit, the railway marshalling yards and smoking chimneys, it is difficult not to feel a sense of respect for the scale of the effort. It is equally difficult to believe, however, that such a costly enterprise so far from the sea can ever be profitable in a Western sense.

No threat to projects in hand, says Oslo

By Fay Gjester in Oslo

NO MATTER how low oil and gas prices fall, it will always be worthwhile for the oil companies to continue producing from existing installations, such as Ekofisk, Frigg and Statfjord in Norway's part of the North Sea, the Petroleum and Energy Ministry believes.

There would have to be an almost inconceivable price collapse before work would be called off on projects which are already in hand, and due to come on-stream in a few years, such as Gullfaks, Heimdal and Ula, officials say.

The oil price needed to cover investment, operation and maintenance costs varies considerably from field to field. For a shallow water field like Ekofisk, developed in the early 1970s, the ministry's figure is only $5-$6 per barrel.

In fact, the investment in Ekofisk has now been written off and, with only operation and maintenance costs remaining, the field would break at a far lower level.

The figure for Statfjord A (first platform on the Anglo-Norwegian field) is $11 per barrel, but, here again, some of the investment cost has already been written off. For Statfjord B it is $14 and for Gullfaks, which is due to begin producing in 1987, $20 (all in 1982 dollars).

Offshore development costs have risen, and will continue to rise, faster than the general rate of inflation, as the oil companies tackle increasingly difficult fields further north and in deeper water.

The ministry estimates that an oil price of $25 per barrel (at 1983 values) would be needed to break even on Oseberg, an oil and gas field now being considered for development. But production could not begin until 1991 at the earliest, so it will be the oil and gas price then, and not now, which is relevant.

With fields like Oseberg the ultimate decision will rest with the oil companies and the banks that finance them, rather than with the Norwegian Government, the ministry points out.

Norway exports all the gas it produces and most of the oil. Gas accounts for about a third of total petroleum export earnings but changes in oil price are not reflected in the gas price for about a year. This year, therefore, they will affect only two-thirds of total petroleum income.

As for the effect on the external economy, Finance Ministry estimates allow a 15 per cent "safety margin" for price falls, exchange rate fluctuations, and breaks in production.

The oil price decline so far has been well within this margin, so forecasts of the 1983 payments deficit and the government's 1983 foreign borrowing requirement (nil) still hold.

The state's net foreign debt, which stood at NKr 17.7bn (£1.6bn) at end 1982 is still expected to be cut to NKr 6bn (£555m) by the end of this year through the repayment during the year of loans taken up in the 1970s.

The peak year for both production and export in volume terms was 1980. Output then reached 49.5m tonnes of oil equivalent (oil and gas reckoned together). Gas exports were 25bn cubic metres and oil exports 162.4m barrels.

Venezuela, Page 6

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Small is beautiful in Italian business

By James Buxton in Rome

ITALIAN BUSINESSES are getting smaller, but they are also multiplying. This emerges from a census carried out in what is, par excellence, the leading European country for small businesses.

The census, held in Autumn 1981, found that the number of Italian engineering companies had grown by 45 per cent to 180,000 since 1971 but that the number of their employees had grown by only 25 per cent. The average number of employees per company has dropped from 14.2 to 12.2.

There was also a slight drop in the number of employees in each light manufacturing and textile company, to an average of 6.7 each.

The survey showed that most engineering companies employ below the average number of workers for the sector—some 82 per cent of businesses have only nine or fewer employees and 92 per cent employ less than 20.

The figures, produced by Istat, the state statistical office, are the most comprehensive ever produced on the web of small and medium sized businesses which make up most of Italian industry and commerce. But they still have to be treated with caution, partly because Italians involved in or near the "submerged," or black, economy are notoriously reticent about their activities.

There has also been an improvement in counting methods since the previous 1971 census, casting some doubt on comparative figures.

The statistics confirm, however, a well-known trend in Italian industry: that entrepreneurs have divided their businesses into smaller and smaller units in order to make them more manageable and to avoid some of the provisions of labour laws and tax and social security legislation.

There has also been a fast growth of new industrial units, spreading down from the traditionally industrial north into the centre and south-east of the country. The census found that the number of productive units of all kinds, including shops, had grown by 775,000, employing an extra 2.4m people over the 10-year period. The total number of businesses stands at more than 3m.

Italy remains firmly a nation of shopkeepers, with about 1.5m shops employing a total of 3.7m people—only 2.5 people per shop. Of these, some 78 per cent employ less than two people for statistical purposes, while supermarkets and large shops—employing an average of 19—account for only 1.5 per cent of the total number of shops.

As one might expect, industry is more heavily concentrated in the north than in the south, where the majority of the companies are in commerce rather than manufacture.

Some 53 per cent of businesses and 57 per cent of employees are in the north, against 20 per cent of businesses and 20 per cent of employees in the centre. The south has 27 per cent of the business in the country but only 23 per cent of the employees.

The census shows a total working population of 16.2m but this does not include farm-workers (put at 2.7m at least) people on military service (400,000) and domestic servants (estimated at about 400,000) or self-employed professionals, making a total working population of nearly 21m. The census whose preliminary results were published last year, showed a total population of 56m.

EUROPEAN NEWS

New French battle tank project gets go-ahead

BY PAUL BETTS IN PARIS

THE FRENCH Government yesterday decided to go ahead with the initial planning stage for a long-awaited new battle tank for the French army, due to replace the existing AMX-30 tanks during the next decade. But M Charles Hernu, the French Defence Minister, left the door open for possible collaboration between France and another country in the tank project.

The Defence Ministry yesterday declined to name possible foreign partners that might eventually be interested in the project. But it appeared that the French Government was essentially eyeing West Germany in an attempt to revive the recent ill-fated attempt between the two countries to collaborate on the joint production of a new advanced battle tank.

A Franco-German proposal to develop an advanced battle tank collapsed last year. West Germany at the time appeared to feel less urgency to go ahead with the deal since its current generation of Leopard tanks is more modern than the French AMX-30.

France, however, is in more immediate need of upgrading its existing generation of tanks. At the same time, the French authorities are clearly looking for ways to reduce the development costs of a project likely to amount to about \$300m–\$400m.

The French Defence Ministry said yesterday that the state Groupement Industriel des Armements Terrestres (GIAT) would be responsible for the development of the tank project. The Ministry added that several Freoch companies were expected to collaborate in the production of the new tank.

The Defence Ministry also said GIAT was developing a new tank in the AMX family called the AMX-40. This tank, based on the AMX-30, was aimed for export markets.

Challenger Page 8

France sees further production slowdown

BY DAVID HOUSEGO IN PARIS

THE FRENCH economy is still slowing down in contrast to the signs of a recovery among other major industrialised countries.

According to the latest Bank of France survey published yesterday industrial production remained stagnant in February but domestic demand fell below January's already declining level. The slowdown reflects the deflationary measures taken last year and is bound to influence the critical decisions the Government is preparing to take on whether to curb purchasing power still further in order to reduce the external deficit and inflation. Other figures published this week show that the Government is still succeeding in bringing down unemployment but that company bankruptcies are slightly up.

On uncorrected figures the number of jobless in February fell by 2.3 per cent to 2.08m largely as a result of job training and early retirement measures initiated by the Government.

The Bank of France attributes the fall in retail demand to a drop in household consumption and to the running down of stocks because of dealers' expectation of lower sales. But it says that the slackening of domestic demand has been accompanied by a slowdown in demand for French goods abroad.

It says this has occurred both in the EEC "where the competitivity of French products appears insufficient," and in developing country markets affected by problems of debt and financing.

The bank's words about the lack of competitivity of French goods in Europe will reinforce the demands of industrialists for another devaluation of the franc.

If, as the bank believes, industrial production is below the level of February of last year, then it will have dropped to a record low since the Socialist Government came to power. According to the indices of the official statistics institute INSEE, industrial production rose from February 1981 through to the end of that year as a result largely of the Government's expansionary measures. The fall off in activity has been noticeable since the summer of last year following the deflationary measures of June but appears to have gathered momentum since December.

The Bank of France says that in February the production of intermediate goods fell while demand for consumer and capital goods remained stagnant.

Officials expect that the slowdown in the economy will soon begin to bring increases in unemployment. A leaked document from the Ministry of Economy forecast unemployment rising to 2.5m

Bank chief optimistic about East bloc debt

By Peter Montagnon, Euromarkets Correspondent

THE CHAIRMAN of Austria's largest bank said yesterday that there was now little risk of new international debt problems surfacing in Eastern Europe.

Dr Hannes Androsch, who is also former Austrian Finance Minister, said in London that the only serious debt problems remaining in Eastern Europe were those of Poland and of Yugoslavia, which is not a member of Comecon. While all forecasting was hazardous, he did not foresee new difficulties arising in other countries.

This does not mean, however, that new opportunities are likely to open up for East-West trade, he told a news conference. Talks with leading politicians in Eastern Europe had convinced him that most Comecon countries were determined to reduce their debts to the West through the pursuit of austere economic policies.

This was because most Comecon countries were acutely aware of the way credits from the West can be used as a political lever to influence their policies, he said.

A further economic restraint comes through the continuing burden of high oil prices on Eastern European economies, Dr Androsch said.

Comecon countries which import oil from the Soviet Union pay a price based on the average world market price over the past five years. Even if world market prices remain stable it will be 1984 before they feel the benefits of the recent Opec price cut and the Soviet Union put up its Comecon oil price by 17.1 per cent at the start of January.

Turning to Austria, Dr Androsch noted that there was little urgent pressure for the country to borrow abroad as it was likely to run a current account balance of payments surplus for the second year running in 1983. He did not foresee, therefore, a speedy return of Austria to the Eurocredit market.

Other bankers in London point out, however, that Austria recently has been able to borrow privately in the Eurocredit market at margins starting at [illegible] per cent over London Eurodollar rates for five years. These conditions make it one of the best-rated credits in Europe

Exports boost Swedish output in last quarter

By David Brown in Stockholm

THE INDEX of seasonally adjusted industrial production in Sweden grew by almost 2 per cent from December to January to 128 (1968 = 100). The figure, released by the central statistical bureau, shows a 2.4 per cent production increase since January 1982.

The rise reflects higher export orders received in the final quarter of last year, the bureau reported. Most sectors of industry reported higher production. In the engineering sector which accounts for about 40 per cent of the industrial total the rise from December to January was 0.6 per cent, while the full year increase from January 1982 was 2.8 per cent.

Pulp, paper and timber production also showed significant increases.

The figures suggest that the industrial production curve, which stands about 50 per cent below its 1980 peak, may have reached its lowest point, a spokesman for the Swedish Federation of Industry said.

It is unclear, however, whether the figures represent a turning point in the business cycle, he said. A volume increase of 5 per cent for the last quarter comes on the heels of low third-quarter production.

Heavy spending cuts essential, says Italian bank chief

BY JAMES BUXTON IN ROME

THE ITALIAN GOVERNMENT will soon have to take painful decisions about deep cuts in spending if the public sector deficit, which reached a record level in 1982, is not to grow worse next year. This was the blunt warning given to Parliament by Dr Carlo Ciampi, Governor of the Bank of Italy.

Last year, the public sector borrowing requirement reached L71,000bn (£33bn) or 15.6 per cent of Gross Domestic Product. This year, the Government is trying hard to keep the deficit to the same monetary level, representing a drop to just under 14 per cent in its proportion of GDP.

This is being achieved only by sharp increases in indirect taxation and charges, which would raise to 46 per cent the proportion of GDP accounted for by government revenue, said Dr Ciampi.

The Government should consider reducing transfers and subsidised consumption — a reference to payments to local government, pensions and social security payments which make up a large part of Government spending.

Only if a serious attempt to reduce the deficit were made would the 16.4 per cent inflation rate fall and with it interest rates. The latter are the highest in the industrial world with prime lending rate at 20 per cent.

His words reflect the growing preoccupation with the public sector borrowing requirement, both for this year and next, which is overshadowing relief at expected benefits from falling oil prices.

Sig Amintore Fanfani, the Prime Minister, has already warned of the dangers of next year's deficit and both he and Sig Giovanni Goria, the Treasury Minister, have criticised Parliament for trimming Bills aimed at raising revenue without considering the consequences for government finances.

The Government is already trying to prevent an overshoot of L7,000bn-L8,000bn (£3.3bn-£3.7bn) on this year's deficit targe of L71,000bn by adjusting measures before Parliament, and by not passing on to consumers the drop in the cost of petroleum products. But the full overshoot expected this year has yet to be covered.

UK and Spain prepare ground for Rock talks

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

BRITAIN and Spain last night began 24 hours of talks largely designed to pave the way towards formal negotiations over their differences on Gibraltar.

Sr Fernando Moran, the Spanish, Foreign Minister arrived in London for a working dinner with Mr Francis Pym, with the British keen for the full opening of Gibraltar's borders and the start of the discussions foreseen in the Lisbon statement issued by the two countries in April 1980.

However, Sr Moran, who is expected to see Mrs Margaret Thatcher, the British Prime Minister, this afternoon, is pressing for clear terms of reference and agenda for the talks.

The Spaniards wish to make sure that the issue of sovereignty over the Rock captured by Britain in 1704 is included in the talks. They are also reluctant to give up their main bargaining card — the restrictions they now impose on free movement from Gibraltar — until this point is settled.

This winter the Spanish Government agreed to open the border to pedestrian traffic "for humanitarian reasons." It argues this was a gesture which Britain should match. But the British view is that Britain already made an important concession in 1980 by agreeing to negotiations on "all the differences between them on Gibraltar."

Diplomats in Spain argue that the "Falklands factor" means that there is no question of discussing the issue of sovereignty before Britain's next general election. But, like Britain, they are keen to see some progress.

Belgium to refuse Nato air defence missile

By Giles Merritt in Brussels

THE BELGIAN GOVERNMENT said yesterday that it has decided to withdraw from a Nato project to instal a new generation of "Patriot" missiles that are to be a vital part of the alliance's European air defence shield after the mid-1980s.

The U.S. is due to begin deployment in West Germany of the sophisticated Patriot surface-to-air missiles—which will replace both Nike and Hawk systems—by the end of this year or in early 1984. But the Belgian decision now casts doubts over other Nato partners' willingness to acquire Patriot.

Officials at the alliance's military headquarters outside Brussels yesterday described the Netherlands as "very hesitant" over the cost of the Patriot missile, which they added will be an extremely expensive weapon. Belgium's Defence Ministry said that it calculates it will save some BFr 25bn (about £360m) in military spending by abandoning Patriot.

Nato planners, however, are understood to be concerned that the importance of the Patriot system should not be overlooked, and point out that the cost of the weapon will remain uncertain until it comes into full-scale production. Negotiations between the U.S. and Nato European partners on the proportion of local content that would be involved in Patriot's production are still at on early stage.

The significance of the "Patriot belt" of air defence missiles across West Germany that would replace the parallel Nike and Hawk belts is that Patriot is a conventional, non-nuclear weapon. There is a growing conviction within Nato that battlefield nuclear arms are militarily and politically unviable, and in Lisbon on March 22-24 Nato Defence Ministers are likely to consider a plan for scrapping some 2,000 of the 6,000 nuclear warheads stockpiled in Europe.

Deployment of the Patriot air defence system is therefore being seen as an important, complementary, part of the Nato defence shield that would include the Tomahawk Cruise missile and the Pershing 2.

The UK's commitment to Nato does not include participation in the Patriot missile belt.

Soviet industrial output up 5.6%

By Anthony Robinson in Moscow

THE SOVIET economy continued its rebound last month from the low levels of production registered at the start of last year. Latest production figures show that industrial output rose 5.6 per cent above the same month last year, while labour productivity increased about 4 per cent.

These figures are well above the 2.8 per cent increase in industrial production for 1982 as a whole but below the unexpectedly sharp 6.3 per cent increase recorded in January.

The mild weather is believed to have been a significant factor in the higher output figures, but the insistence by Mr Yuri Andropov, the Soviet leader, on labour discipline was probably an additional factor whose full impact will only become measurable as more economic evidence becomes available.

Peasant Party opposes Polish price freeze

By Christopher Bobinski in Warsaw

THE PEASANT Party in Poland has come out against a freeze on food prices following the Government's announcement they will not go up this year. The Prices Office assurance accompanied the announcement of a rise in the price of petrol, tobacco and coffee and was designed to calm fears about further price increases.

The party, whose leader Mr Roman Malinowski, is a deputy premier, is technically allied to the Communists but it speaking up increasingly in the interest of farmers.

It is concerned that farmers' incomes will suffer and that promises in the 1983-1985 plan of extra machinery and equipment for farming are not backed by economic measures strong enough to ensure the necessary change in industrial production.

This emerges from a Peasant Party statement on the draft plan which is to have its first reading next week in Parliament where these doubts will surface.

Farmers' incomes in 1981 actually overtook average urban wages for the first time after trailing them by 15-28 per cent for many years.


BRITISH CALEDONIAN
EASTERN

Democrats seek cuts in Reagan defence budget

BY ANATOLE KALETSKY IN WASHINGTON

THE Democratic Party has called for a cut in the growth rate of the U.S. military budget from 10 per cent to 4 per cent, $30bn in additional taxes, spending of up to $17bn on job-creation programmes and a $15bn reduction in the deficit in its alternative to President Ronald Reagan's 1984 budget.

The Democratic plan will now form the basis for protracted bargaining between the House of Representatives, which has a Democratic majority, and the Republican-dominated Senate. It was announced on Tuesday and coincided with White House suggestions that President Reagan may be resigned to cuts in his defence programmes.

The President "is going to seek *accommodation*" and "can find some flexibility" on defence spending, according to Senator Peter Domenici, chairman of the Senate budget committee.

Mr Domenici's statement, which was supported by White House officials, came after a series of meetings between the President and congressional Republicans aimed at avoiding a major public split over defence.

The President's private assurances to Senator Domenici succeeded in averting a budget committee vote, planned for this week, which would have reduced Mr Reagan's requested 10 per cent growth rate in real terms in defence spending next year to a 5 or 6 per cent rate.

Although Senate Democrats warned the President would now use a "public relations steam-roller" to support his defence plans, Mr Domenici insisted he was only giving the President "a little extra time," to find the needed "flexibility in the defence numbers."

Even Republican senators predicted Mr Reagan would face a "rebellious committee" if he now failed to compromise on defence.

The Democratic leadership, meanwhile, will concentrate on pushing its own budget proposals through the House in the next few weeks.

The U.S. Government's final budget, which is traditionally about half way between the House and Senate versions, is now almost certain to contain a major reduction in the Reagan defence plans.

The major question is whether the Democrats succeed in scaling back the 10 per cent tax cut planned for July and whether the Congress imposes other revenue measures, such as a $5-a-barrel tax on imported oil.

Pope criticises foreign intervention in Salvador

VATICAN City—Pope John Paul yesterday sharply criticised foreign intervention in the Salvadorean civil war and repeated his call for a peaceful end to social injustices in Central America.

Speaking at his first general audience since his return last Thursday from a nine-day tour of the region, the Pontiff also criticised the theology of radical priests who disobeyed Vatican instructions by taking on political responsibilities.

His homily, delivered before an estimated 13,000 faithful gathered in the Vatican's audience hall and St Peter's Basilica, summed up the lessons drawn from the most politically delicate mission of his much-travelled pontificate.

Clearly affected by the poverty and wealth he witnessed in an eight-nation journey through one of the world's most troubled regions, the Pope said Central America's outdated social and economic systems "are unjust and must be changed by adequate reforms, observing the principles of social democracy."

Failure to promote social justice was the cause of guerrilla warfare which had claimed thousands of lives in El Salvador alone, including Archbishop Oscar Arnulf Romero, who was murdered by a right-wing gunman in 1979, he said.

Reuter

Venezuela 'suspends oil pact credits'

By Kim Fuad in Caracas

VENEZUELA has suspended credits which it had been extending along with Mexico to nine Central American and Caribbean nations under an oil supply agreement until the new Opec price structure is reviewed, Government officials said.

Dr Herman Soriano, head of the Venezuelan Investment Fund, which channels the credits, said the Government was awaiting the return of Sr Humberto Calderon Berti, Energy Minister, from London before taking any decision.

At the same time, Sr Jesus Puente Leyva, the Mexican Ambassador said that Mexico had not suspended the credits.

Venezuela and Mexico had been advancing an approximate 30 per cent rebate on the cost of oil shipments of 160,000 barrels a day to Barbados, Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama and the Dominican Republic.

In two years of activities under the joint Venezuela-Mexican agreement, between August 1980 and August 1982, the two countries have provided a total credit outlay of $857m (£571m).

The so-called San Jose agreement was extended for another year last August, guaranteeing the nine countries 160,000 b/d financed at a rate of 4 per cent over five years

Grand Ole Opry up for sale

By Richard Lambert in New York

NASHVILLE'S Grand Ole Opry — Mecca of the world's Country and Western music fans — is up for sale. No price tag has been put on the theatre, but together with an associated theme park hotel, and radio and television interests, the whole package could be worth $200m (£133m) or more.

The seller is American General Corporation, a major Houston-based insurance company, which picked up the Opryland interests when it bought NLT Corporation for around $1.5bn last year.

U.S. may increase Lebanon force

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REAGAN Administration has drawn two main conclusions from its latest round of intensive three-cornered negotiations with the Israeli and Lebanese foreign ministers in Washington.

The first is that U.S. military involvement in Lebanon will have to increase if Israel is to be persuaded to withdraw its forces.

The second is that Israel can not be allowed to keep troops in southern Lebanon to protect its northern frontier after the main body of the Israeli army pulls out.

Mr Yitzhak Shamir, the Israeli Foreign Minister, is now back in Israel to put what he calls "new ideas" to the cabinet. These involve an increased U.S. military presence designed to reassure Israel that it does not need to keep troops in Lebanon to guard its border.

The new U.S. role, on which there is as yet no agreement, could involve an increased military effort, either in the *Beirut multinational* peacekeeping force or through the United Nations force already in southern Lebanon. The possibility of moving an expanded peacekeeping force to southern Lebanon is still under study.

The Israelis are contemptuous of multinational forces in general and the UN force in particular. Other possibilities under study include accelerated U.S. training of anti-terrorist units in the Lebanese army, increased military aid to Lebanon and Israel and possible U.S. help with intelligence surveillance of the border area.

Another suggestion is for the creation of a joint Israel-U.S.-Lebanon military commission to monitor the security arrangements.

It is now clear the Lebanese Government will not accept Israeli forces in the area, even in joint patrols. "Over my dead body," Mr Elie Salem, the Lebanese Foreign Minister, is reported to have said when asked about the idea in Washington this week.

The Lebanese are becoming increasingly impatient with the Israeli occupation, and yesterday Mr Saeb Salam, a special envoy of Mr Amin Gemayel, the Lebanese President, delivered a message to that effect to President Ronald Reagan.

Continued deadlock in the talks on Israeli withdrawal would block progress on all negotiating fronts and lead to a resurgence of violence and extremism which could only help the Soviet Union and damage the U.S., the message said.

Richard Lambert reports on a key date for owners of U.S. property

Tax deadline for foreign investors

MARCH 21 is a key date for *foreign investors with a direct* or indirect stake in U.S. property worth more than $50,000. Failure to file information with the U.S. Internal Revenue Service (IRS) by that date could impose a substantial administrative burden on the investor—and, at worst, could lead to a fine of up to $75,000.

The disclosure requirements of the U.S. Foreign Investment in Real Property Act are finally beginning to bite. This Act was passed in 1980, in response to lobbying by U.S. farmers who were angry at the fact that foreign investors were buying up property without being subject to the *full rigours of the* U.S. tax law.

It was well known that by adopting what tax accountants call "perfectly acceptable techniques," foreign investors could eliminate the U.S. tax on gains arising from the sale of real estate.

The new Act was designed to put foreigners on an equal footing with U.S. taxpayers in this respect and in broad terms it seems to have succeeded. Foreigners have been paying tax under this legislation since 1980 and its scope is by no means confined to farmland. Among other things, it covers furnishings, time-sharing interests, mineral deposits and certain mortgages.

Having designed the law, the next question was how it should be enforced. The original idea was that a withholding tax should be levied on the sale of property by a foreign investor, *but this was rejected by Con*gress, and instead the legislators opted for very broad disclosure requirements.

It is these requirements which are now coming into force —and they apply whether or not the investor has any intention of selling property in the U.S. They cover a very broad range of investors, from a UK company making widgets in Milwaukee to a wealthy South American with an apartment in Miami.

FINES of up to $75,000 can be levied on foreign investors with U.S. property worth more than $50,000, if they do not file information with the Internal Revenue Service. Next Monday is the final day for disclosure.

Failure to comply can bring a fine of $25 a day on each property, up to a maximum of $25,000 in any one year. Since the filings due soon will cover the three years back to 1980, the maximum penalty that could be imposed this year is $75,000.

Under the law, domestic corporations must file with the IRS if property interests constitute 50 per cent or more of their assets and if they also have one or more foreign shareholders (this does not generally apply to quoted companies). Broadly speaking, they have to detail their U.S. property interests, provide information about their shareholders (including nominees) and list any property sales.

They also have to notify their foreign shareholders that they may have a filing obligation. An example of what this can mean is that real estate managers in New York City and elsewhere have been warning owners of residential properties that their names will be reported to the IRS if they have a foreign address, or are known to be foreigners.

Foreign companies, partnerships, and individual investors may also have to file similar information with the IRS. The tax man is after foreigners whose interest in a piece of U.S. real estate runs to $50,000 or more, and the IRS is prepared to look all the way up the chain of ownership to find them.

For instance, if a Dutch citizen owned 6 per cent of a Dutch company which had land in the U.S. worth $1m, his stake would be valued at $60,000 and would have to be reported, even if the land was never going to be sold and was being used to support a manufacturing business.

In this case, both the individual and the company would have to file with the IRS, unless the company had completed what is called a "security agreement" *with the U.S. taxman.* It is this that has to be filed by next Monday.

Under such an agreement, the foreign investor provides security to the IRS that any U.S. tax which may become due as a result of a property sale will in fact be paid. Such security could include a lien on the property, a letter of credit, or some similar form of guaranty. In return, the investor is relieved of a lot of bureaucratic paperwork—especially the need to notify its own shareholders of their possible disclosure requirements.

Coopers and Lybrand, a leading accounting firm, thinks that foreign companies might well be advised to consider completing a security agreement with the IRS. But it seems that many such companies have not yet latched on to the fact that they might be caught by the new requirements. This is in part the fault of the IRS itself, which has not yet published full details of what is actually required in such agreements.

By the end of last week, there had been only 300 applications for security agreements —and most of them had been filed in the previous few days.

"In the international tax area, I have never seen anything as messy as this," says Coopers' Mr Stanley Sherwood. He is urging clients to file by Monday even in an abbreviated form in order to get their foot in the door.

OVERSEAS NEWS

Lebanon peace troops hurt

By Patrick Cockburn in Beirut

FOURTEEN members of the multinational peacekeeping force in the Lebanon have been wounded in attacks near Beirut.

Among the casualties were three Italians, paralysed from the waist down by wounds received in an ambush and five U.S. soldiers injured when o grenade was thrown at them near Beirut airport.

There have been successive attacks on Israeli and Syrian troops this week as well as members of the 4,800-strong multinational force of U.S., Italian and French troops.

It is now known who was responsible for attacks on the Italian and U.S. troops. Diplomats discount local Press reports that they were attached by local heroin smugglers, formerly based close to the airport.

Since early January Lebanon has enjoyed an unaccustomed respite from fighting.

This is attributed to a relaxation in tension following the removal of Gen Ariel Sharon as Israeli Defence Minister.

FT man held in police raid

By Our Foreign Staff

MR BERNARD Simon, a Financial Times correspondent in Johannesburg, was freed on Rand 500 bail (£304) yesterday after the security police arrested and charged him with "attempting to defeat the ends of justice."

Mr Simon, a South African citizen, who also reports for the AP-Dow Jones news agency and the Economist, was questioned and detained by the security police during a search of the nearby office of Mr Allister Sparks, correspondent for the Washington Post and the Observer.

Mr Simon was ordered to appear again in the regional court on March 25 after further investigation. The Transvaal Attorney-General must decide whether to bring formal charges based on the police allegation.

The police seized three tapes during the early-morning search of Mr Sparks' home.

Doubts and dreads in the Bulawayo queues

BY MICHAEL HOLMAN IN BULAWAYO

UNDER a blazing blue sky the queue *stretches* for a block or more from the entrance to Bulawayo's sandstone post office, built like a fortress complete with tower and flag.

It is composed of men, most in their teens and twenties. They are all ex-guerrillas, members of Mr Joshua Nkomo's former Zimbabwe People's Revolutionary Army, now demobbed and awaiting the pay-out of the Z$185 (£132) monthly carrot which lured them from the security of a job in Zimbabwe's integrated army and on to civvy street.

The payout last two years. For many that period of comparative comfort—demob pay exceeds average wages — is coming to an end. The depressed economy, hit by poor export prices and a crippling *drought, offers few jobs.*

That is not the only worry of the men in the queue. They are talking among themselves about the brutal purge of the province conducted by the North Korean-trained Fifth Brigade. They are worried about the fate of comrades who disappeared the weekend before last, when the military swept through Bulawayo's black townships in search of "dissidents" — the government's all-embracing term for armed bandits, army deserters and guerrillas back in the Matabeleland bush.

Veteran officials of Mr Joshua Nkomo's Zapu party look on these youngsters with mixed feelings. They pay tribute to their role during Rhodesia's seven-year guerrilla war, but they say the men are slowly slipping out of the control of a party which has been thoroughly demoralised by the series of events which culminated in Mr Nkomo's flight to Botswana.

If the purpose of the Government's military operation, preceded by months of invective from certain Ministers, was to drive Zapu below ground in Matabeleland, it has come close to success. But the price may well be high, for party officials fears that the round of *violence* is not over.

"Zapu is now virtually helpless to control its freedom fighters," said one member, gesturing at the queue. "The party is losing control over those people. They are trained fighters, they can find guns. And the Government has made enemies of them."

It is just possible that Mr Nkomo retains some influence, despite his marked lack of success in controlling the activities of hundreds of frustrated ex-Zipra members, who in recent months have run wild in parts of Matabeleland.

He did, after all, make a point during the Rhodesian war of visiting regularly all the Zipra training camps in Zambia and Angola, and whatever his failings may be, the spectacle of the veteran, imposing "Mdala" (father) in full oratorical flight is one many youngsters will have remembered.

But Mr Nkomo's departure leaves the party in Matabeleland without an authoritative figure and without an obvious successor.

Mr Johiah Chinamano, the acting party president, is a Shona based in Harare, as is the party's secretary general. The chairman of Matabeleland North province, Mr C. Z. Moyo, *was arrested two weeks ago.* Mr Z K Sihwa, Chairman of Matabeleland South, was detained some four months ago. The Zapu chief whip, Sidney Malunga, MP for Matabeleland North, was arrested recently, and Mr Amos Nkwenya, a prominent central committee member was detained last month.

Mr Nkomo

Zapu officials in the districts of Nkai, Tjolotjo and Lupani have been killed or detained by the score, according to Zapu members *in* Bulawayo, and others have fled to neighbouring botswana.

The problems of Zapu, for whom Matabeleland is its traditional stronghold and home of 19 of its 20 seats in Zimbabwe's parliament, have been exacerbated by Mr Nkomo's style of leadership.

Since the 1960s he has dominated his party, controlling the purse-strings, reluctant to delegate, jealous of rivals and often arbitrary in his decision-making.

In the post-independence period, his decision to accept Prime Minister Robert Mugabe's offer of a place in the cabinet—from which he was subsequently sacked—placed Zapu in an ideological limbo.

The party was first constrained from criticism by the fact that early measures concentrated on the massive task of reconstructing the devastated countryside—rebuilding clinics and schools for example.

But as government got to grips with formulating longer-term policies, Zapu's contribution appeared negligible, at least to the rank and file.

That said, it is difficult to find a Zapu member of any seniority who believes that the party had an alternative to co-operation with the government —*which holds 57 of the 80 black* seats and draws most of its support from the majority Shona tribe.

The five Zapu members in government should remain, says one member in Bulawayo, "because they may act as a moderating influence on members of government who seem to be carrying out a vendetta against the Ndebele people of Matabeleland."

Ndebeles will continue to learn about the last few weeks through friends and relatives and through the angry young men in the post office queue. And that bodes ill for Mr Mugabe's vision of one nation.

Assam gripped by fear as refugees flee

BY K. K. SHARMA RECENTLY IN GAUHATI

THE LIGHTS went out in Gauhati, capital of the troubled Northeastern Indian state of Assam, the night the Congress (1) "popular" ministry took office two weeks ago. Except for the thud of para-military forces' studded boots, there was no sound. Civilians remained indoors and in the eerie dark silence the feeling of fear was palpable.

Even in the capital, it is not the writ of the new Government that runs but that of the student agitators. In the face of their open defiance of authority, the virtually clandestine swearing-in of the new Government was a ridiculous and unreal ceremony. "After war, there is peace," said one of the new Ministers. "Within a month or two, we will restore normal conditions."

It is impossible to take such remarks seriously. Hundreds of security men armed with automatic rifles are keeping watch on the new Ministers' homes and offices. The impression is unmistakeable that these men are in no position to take decisions. Yesterday's announcement that the army has been called in to Gauhati itself merely emphasises their impotence.

A fresh violent upheaval is inevitable, possibly even before the debris of the first month-long spell of murder, arson and destruction can be removed. A short way out of Gauhati there are visible signs of strife—deserted, burnt-down villages, mass graves and thousands of refugees.

Every war throws up a refugee problem and in Assam, after a death toll last month of not less than 3,000, amounting almost to a civil war, the problem is acute.

The refugees are leaving in panic, because the security arrangements are inadequate. If 150,000 armed para-military forces were unable to stop agitators blowing up bridges, burning down villages and killing at will before the election, there is not much they can do now if the minorities are again attacked.

In Nowgong district, the scene of the last massacre, hundreds of families are on the march away from the charred remains of what was a cluster of villages, carrying their meagre belongings. They have seen their relatives brutally killed and are now clearly desperate.

Most are Moslems originating in Bangladesh. Their distrust of the Assam police is obvious. "They will kill us," they say. The refugees refuse to return to their villages without armed protection.

Already there are reports of thousands of Moslems trekking to adjacent states like West Bengal and Arunachal, setting up makeshift camps like those that are mushrooming in Assam itself. These are breeding grounds for disease, with no medical care, supplies or official recognition. The signs are that a major human tragedy is building up.

The next Assam upheaval could be much bigger than what has already taken place. District officials speak ominously of tribals, the original inhabitants of Assam threatening to become militant. Already, in the past month, many tribes that were considered *docile have taken* up arms, brutally killing Bengali immigrants

If aroused again, their latent hatred of the intruders could bring a repetition of the communal strife.

Tribals, Moslem settlers, Bengali Hindus and the Assamese have now had mutual animosities stirred up. The elections and the "people's curfews" and "peoples blockades" by the militant students seeking the expulsion of "foreigners" have not only divided the population but brought into the open a whole range of ethnic, linguistic, cultural and economic conflicts.

Australia cuts price of local crude

By Michael Thompson-Noel in Sydney

AUSTRALIA'S Labor government yesterday ordered an A$2 (£1.14) a barrel cut in the price of locally-produced crude oil—thus honouring the first of its election promises.

However, there is growing evidence that its room for manoeuvre is severely cramped —and that its promise to reflate the economy, provide thousands of jobs, and cut income tax, may have to be reconsidered.

Australia is about 67 per cent self-sufficient in oil. Yesterday, Senator Peter Walsh, the new Minister for Energy and Resources, claimed the cut of A$2 per barrel for locally-produced crude would mean a reduction of 1.5 cents a litre at the petrol pump, and cost the government an estimated *A$200m in* revenue.

Thai Deputies trim powers of military

BY JONATHAN SHARP IN BANGKOK

THAILAND faces a fresh period of political uncertainty following a surprise vote in parliament yesterday.

Against the *odds*, Thai Deputies threw out constitutional amendments that would have preserved the central role of the Thai armed forces in governing the country.

The military, *accustomed* to being power-brokers, must now weigh the prospect of taking something closer to a back-seat.

Whether they will accept having their powers trimmed or *will take power completely* into their own hands, as frequently in the past, will be the subject of nervous speculation in Bangkok.

The parliamentary vote is a setback for Gen Arthit Kamlang-Ek, commander-in-chief of the army, who had personally championed the amendments.

The view of Gen Arthit and his supporters has been that Thailand's democratic institutions *need the stabilising* influence of the armed forces to ward off chaos.

Following yesterday's vote, the Thai Senate, an appointed body dominated by present and former members of the armed forces, will have its powers reduced. In addition, civil servants and members of the armed forces will no longer be permitted to take Cabinet posts.

The move by the Deputies *was particularly surprising* because the Bill containing the amendments had sailed through its *first* two readings. Only in yesterday's decisive third reading did supporters of the Bill fail to muster the necessary votes.

Concern over the country's political future was aroused some weeks ago when a senior army officer said the military might have to conduct "exercises"—shorthand for a coup *détat*—if instability ensured as a result of failure to pass the Bill.

But senior echelons of the Thai armed forces are by no means united in their backing for the discarded constitutional amendments.

For example, Gen Saiyud Kerdphol, Supreme Commander of the Armed Forces, opposed *the* amendments, thus taking a stand contrary to that of Gen Arthit, his subordinate.

After yesterday's vote, Gen Saiyud said: "It is unlikely that there will be any coup." The fact that he felt obliged even to mention the possibility is an indication of the country's jittery state of mind.

Thailand has had more than 12 coups in 51 years.

By their action, Thailand's Deputies demonstrated on *independence* that *some* members of the armed forces will interpret as an affront. Whether *those same* military figures will allow this gesture to pass un*challenged remains an open* question.

China to reorganise tax on state enterprises

BY MARK BAKER IN PEKING

CHINA is preparing to resurrect the tax man as part of its radical programme to reorganise the economy. It is about to employ 110,000 officials to administer a new system of taxing state-owned enterprises.

Over the next few years, most enterprises which have simply been handing over their profits to the Government will switch to paying fixed taxation. They will be allowed to keep part of their income to reinvest or share among the workers.

To administer the new taxation programme, 80,000 clerks will be employed. A further 30,000 tax inspectors will be appointed to work in production centres around the country.

Senior Finance Ministry officials yesterday called a rare Press conference in Peking to give details of the new plan, which is already operating experimentally in more than 4,000 factories.

Mr Tao Shengyu, a Finance Ministry director, said the tax scheme would promote productivity through worker-incentive and give the Government greater control in its budgeting.

All enterprises will pay basic tax of 55 per cent of profits. The remaining profits will be shared between the Government and the enterprise, depending on how profitable the enterprise is.

Fall in Venezuela's income accelerates as oil price drops

BY KIM FUAD IN CARACAS

FOR VENEZUELA, the new agreement by the Organisation of Petroleum Exporting Countries (Opec) on production may mean a $1.50 to $2 per barrel cut in average export prices plus more than a 250,000 barrels a day (b/d) drop in export volumes, according to early official estimates.

This could trim over $3bn from original Venezuelan estimates of 1983 oil export income of almost $16.2bn, based on an average price of $27.68 per barrel and exports of 1.6m b/d.

Venezuela's assigned quota of 1.675m b/d does not include exports of liquefied petroleum gas (LPG) which give the country total exports of 1.737m b/d. Under the new quotas, Venezuela will have around 1.3m b/d available for export after supplying domestic needs of over 400,000 b/d.

Venezuela's oil export income reached a record $19bn in 1981 making the state oil monopoly, Petroleos de Venezuela, Latin America's largest corporation.

But since then, oil exports, which provide Venezuela with over 90 per cent of its export income and finances two thirds of the national budget, have declined under the pressure of soft demand and eroding prices.

Exports, however, could be supplemented by drawing stocks of around 40m barrels, allowing Venezuela to increase exports by up to 85,000 b/d over the next quarter *without violating its quota.*

Venezuela's market position has been strengthened by an agreement with Mexico to share their main market, the U.S. east coast. The agreement includes aligning prices for competing crudes as well as controlling export levels.

Even with a 1.5m b/d export level and an average of $27.50 per barrel price, Venezuela faces serious economic problems. Excessive and disorderly foreign borrowing has pushed its foreign debt up to an officially estimated $23.4bn with over *$9bn in short-term debt falling due* this year. Venezuela is now attempting to renegotiate this debt.

Domestically, the Government was forced to slash spending by around 30 per cent last year to raise domestic petrol prices by over 100 per cent and to shelve a number of major development projects.

The administration of President Luis Herrera Campins, however, *has failed* to reduce the country's public workforce, employing an estimated 1.2m, and is apparently reluctant *to* take such an unpopular move with Presidential elections scheduled for next December.

The state oil industry has taken a severe beating as a result of the deteriorating situation. Its profits were virtually erased last year, after having earned net income of *$3.3bn. In 1981,* its offshore dollar deposits were taken over by the central bank and it was forced to purchase about $1.7bn in public debt bonds. This now leaves Petroleos de Venezuela facing a cash flow problem as early as this year and certainly in 1984.

ECGD in Baghdad debt talks

By Paul Cheeseright, World Trade Editor

OFFICIALS from the Export Credits Guarantee Department (ECGD) are in Baghdad to talk about re-scbeduling Iraqi trade debts to UK banks and companies totalling up to £200m.

Their visit confirms the addition of Britain to the lengthening list of suppliers to Iraq who are being obliged to accept longer terms of payments for industrial projects. Until last year Iraq tended to pay in cash.

The West German Economics Ministry said thia week that the Baghdad Government had informed Bonn it will not meet all its payments either this year or next on projects, mainly in the industrial plant and construction sectors, ordered from German companies.

The value of the projects on whicb Iraq has stopped making payments since last *November*, or is seeking changed payment terms, is about DM 2.4bn (£667m) according to the West Cerman Engineering Industry Association.

Sucb negotiations have been or will be undertaken by ECGD's counterparts in France, West Germany and Japan—the three major suppliers to Iraq. Reports from Tokyo have said that Iraq is *seeking* delayed *payment* on projects including Japanese groups with an order value of up to Y300bn (£837m).

East Germany 'determined to export more to West'

BY DAVID BUCHAN AND LESLIE COLITT IN LEIPZIG

EAST GERMANY is determined to maintain its export drive to the West and to meet its international debt obligations this year, according to Dr Gerhard Beil, East Germany's Trade Secretary, who this week aigned a five-year trade accord with the UK.

Dr Beil said he has rerently received "signals" from a number of Western countries that they want to return to a normal trading and financial relationship with East Germany. But the East German Trade Secretary rebuffed requests by Western banks for more and better information on the East German economy and debt structure as a pre-condition for improved trade financing.

"We will not conduct trade under pressure," be said.

East Germ*any* d*ramatically* increased its hard currency trade surplus to 3.8bn East German marks (some £1.05bn) in the first 11 months of 1982 from 200m marks in 1981.

The East German Government has traditionally been the most tigbt-lipped in Comecon about its foreign debt. According to partially complete Bank for International Settlements figures, East Germany reduced its debt to Western banks from more than $10bn at the end of 1981 to less than $9bn by September 1982.

"Our aim is to pay every incoming bill, credit, interest—we are known for this," e spokesman for the Foreign Trade Ministry said.

The U.K.-GDR trade accord signed for Britain by Mr Peter Rees, the Trade Minister, is oniy the second auch agreement East Germany bas with a Western country. It is designed to *stimulate bilateral trade*, at a time when U.K. exports to East Germany have fallen sharply, and joint ventures on third markets. A prime British interest is to have UK companies consider in forthcoming East German economic plans. Dr Beil confirmed that this would start with the 1984 plan.

Both countries recognise they can give each other a political entree into different markets. *Dr Beil, for example, hoped* British firms operating in Africa and the Middle East would make use of East German technical expertise. British companies for their part might gain access with East German assistance to contracts in Comecon and other areas. General Electric Company is already supplying equipment for East German electrical power substations in Iran and talks are nnder way with a leading Britisb engineering firm to collaborate on an industrial project in the Soviet Union.

France was the first Western country to sign such a trade accord with East Germany. French exports to East Germany jumped in the late 1970s but last year fell sharply in line with virtually all OECD countries exrept West Germany.

Western traders with East Cermany are expressing concern that West German companies this yeer will continue to expand their deliveries to East Germany hy more than 10 per cent while East Germany radically cuts its imports from other OECD countries. This is not because West Germany pro*vides* more and easier credit to East Cermany, although there has been a credit squeeze by other Weatern countries.

The main reason for the shift in East Germany's trade to West Cermany la that East Berlin's hard currency receipts from the other Western countries are going toward the repayment of interest and principal on the East German debt. By contrast, the barter-type trading arrangement between East and West Germany which is based on a clearing system enables East Germany to use any increase in its exports to West Germany to boost imports from West Germany without spending hard currency.

Australia, Japan start coal talks

By Colin Chapman in Sydney

AUSTRALIAN coking coal exporters returned to Japan yesterday to continue price talks with steelmakers at a time when relationshipa between the two countries bas reached a low point. The mutual attitnde of trust and goodwill, so prevalent three years ago et the height of the Australian resources boom, has evaporated.

The prohlem is that Australian coking coal exporters face demands from the Japanese steel industry for price cuts of U.S.$14 a tonae or more. The demand is backed by a threat to caneel all shipments of coal.

One of the Australian companies, Thiess Holdings, last week offered a cut of $9 a tonne in the 1983 price to $56.75 a tonne, bnt this was rejected by the steel mills which made it clear they wanted a price of no more than $52 a tonne.

Faced with this reaction the negotiators returned bome in the hope of support from the new Hawke Government. There was some suggestion that the Trade Minister, Mr Lionel Bowen, would interve , but he decided not to change the Fraser Administration's guidelines, which distance the Government from the negotiations.

Japanese car radio plant arouses French opposition

BY PAUL BETTS IN PARIS

THE FRENCH electrical and electronics manufacturers association is attempting to put pressure on the French Government to prevent a major subsidiary of Japan's Nissan group to build a plant to make car radios in France.

But the French Government is understood to have decided to allow Clarion, the subsidiary of the large Japanese company, to go ahead with a FFr 15m investment to construct a facility to manufacture car radios for the European market.

Clarion intenda to manufacture some 200,000 car radios a year by 1986 at its proposed new European facility at Pompey in the department of Lorraine.

Although the French electrical and electronics manufacturers associations hare opposed the Japanese venture, the two companies especially worried by the Clarion project are Philips of the Netherlands and Blaupunkt of West Germany. The two companies are currently the main manufacturers of car radios in France—Philip'a through its Radiotechnique subsidiary with a plant at Rambouillet, and Blaupunkt, part of the Bosch group, with a plant at Caen.

In a statement, the manufacturers' association claims the French Coverment's apparent decision to allow Clarion to set up its European facility in Franre ia not consistent with the government'a industrlal poitcy to enhanre and boost the domestic electronics sector.

The French industry argues that the Clarion plant would create only 150 jobs in the depressed old steel making region of Lorraine while threatening the 1,800 people employed in the car radio manufacturing operations of Blaupunkt and the Philips subsidiary.

But the French Industry Ministry has claimed that if the government refused to allow the Japanese company to establish its plant in France, it would probably have set up a similar facility either in West Germany or in Belgium.

The proposed Clarion plant would mark the entry of a third major Japanese group into France. Sony and Akai, both in the middle of the heated trade dispute over Japenese video tape recorder exports to Europe, and to France in particular, have already implanted themselves in France and are considering expansions of their existing French facilities.

Lebanon seeks end to Saudi trade ban

By Patrick Cockburn in Beirut

LEBANON IS seeking to have a partial ban on its exports to Saudi Arabia rescinded. The Saudi move is a bid to prevent goods of Israeli origin entering the kingdom after crossing the open border between Israel and Lebanon.

To ensure that goods imported from Lebanon are not froo Israel the Saudis have sent a team this week to look at Lebanese certificates of origin. Lebanese exporters are keen to get the ban lifted because Saudi Arabia is the country's largest market for industrial and agricultural goods.

In 1982 Lebanon's exports to Saudi Arabia were worth $395m despite the war.

Ever since Israel invaded Lebanon last year Israeli goods, often cheaper than those available locally, have flooded across the border.

The flow of untaxed goods entering Labanon through Israel is also important to the government because it is trying to re-establish its customs revenues by closing down the illegal ports whicb have flourisbed bere in the recent past. Last Sunday the army took over part of Beirut port controlled by the Christian militias who were said to have earned $5m a month from operating it.

Spain's Harrier deal valued at $370m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SPAIN is close to a decision on buying 12 advanced AV-8B Harrier vertical take-off fighters from McDonnell Douglas of the U.S., for a sum estimated at about $370m, including spares. British Aerospace, the original developer of the Harrier, will be involved in manufacture.

The aircraft will be used aboard a new aircraft carrier that Spain is building. Delivery of the aircraft is expected in 1988. The price will be about $31m per aircraft including spares and support costs.

The deal is still in detailed negotiation, and is subject to McDonnell Douglas offering adequate offset arangements up to $130m, including local Spanish manufacture of AV-8B parts. A final decision *is* expected very soon, however.

Although the AV-8B advanced Harrier is a joint venture between British Aaerospace and McDonnell Douglas for the U.S. Marine Corps, the U.S. company is the leading contractor for sales to countries such as Spain, which is why lt is primarily involved in the negotiations.

Tbe U.S. Marine Corps is buying up to 336 AV-8B Harriers, with the RAF buying up to 60. McDonnell Douglas is building 60 per cent of the airframes, with BAe the remaining 40 per cent.

Sales to third countries involve 75 per cent of the work going to McDonnell Douglas and 25 per rent to BAe on the airframe. Separate arrangements cover the Rolls-Royce/Pratt & Whitney pact on the *Pegasus* engine *for* the aircraft.

The Spanisb Navy already operates 13 of the earlier Harrier AV-8As (11 single-seaters and two two-seat trainers), which were bought from BAe through McDonnell Douglas some years ago, and which are called Matadors in the Spanish Navy. At that time, *for* political reasons, BAe was not allowed to sell directly to Spain.

Spain is also currently interested in buying a number of Panavia Tornado multi-role combat aircraft. British Aerospace is a partner in the Panavia combine. The Spanish Government some time ago issued a "request for proposals" to Panavia for the supply of Tornado jets, and this is still being considered.

Foreigners permitted to press charges in Taiwan

BY ROBERT KING IN TAIPEI

THE TAIWAN High Court has overturned a 52-year-old interpretation of the criminal code prohibiting certain foreign companies from initiating criminal proceedings against Taiwanese. In the process, the court bas cleared the way for Apple Incorporated of tbe U.S. to press a criminal suit against two alleged computer counterfeiters here.

Last month, a lower court refused to hear Apple's criminal suit against Sunrise Computer Services and Golden Formosa Company, *which* Apple *had* charged with *duplicating its* copyrighted "read-only-memory" (ROM) software in Apple look-alike computers. The court referred to a 1931 interpretation of the criminal code which states that foreign companies not registered to do business and with physical presence here, are not legal entities, thus they cannot bring criminal charges in Taiwanese courts.

On appeal the High Court ruled that nnder a 1946 Treaty between the U.S. and the Chinese Government, companies in both countries are accorded mutual recognition and rights. Among these rights the court said is access to the legal process. Taiwan at that time was *part of a united* China prior to the Maoist revolution.

The High Court then ordered the Taipei District Court to bear Apple's case on the merits.

The High Court's judgment is *narrow in the sense that it* affords legal status to U.S. companies only, but one foreign lawyer suggested a decision might prove a motivation to other countries or blocs without formel dinlomatic relations, such as the EEC, to enter into similar arrangements with the Taiwan Government, and thus offer protection to companies in the countries concerned.

Bulgaria to grant $140m credit to Nicaragua

BY TIM COONE IN MANAGUA

A NEW trade agreement has been aigned between Nicaragua and Bulgaria. Over the next tbree years Bulgaria is to provide $140m in finance for a series of major investment projects including a deep-water port being built on Niceragua's Atlantic coast, a 37 Mw hydro-electric project and 11 other agricultural and industrial development projects.

The finance will be used to purchase machinery and equipment from Bulgaria. For its part, Nicaragua will sell to Bulgaria coffee, cotton and minerals valued at $38m.

The new agreement will provide a major boost to trade between Nicarague and Eastern Europe. Before Nicaragua'a revolution in 1979 such trade was virtually non-existent end even threo years *after was still* only running at $60m a year, balanced almost equally between imports and exports. The first real growth began in 1981, when bilateral trade with East Germany reached $20m and pnt Eest Germany as Nicaragua's main East European trading partner followed by the Soviet Union and Bulgaria.

Until last year, Nicaragua's economic links with the Soviet Union were relatively low-key, witb much of the *economic* assistance that bad been provided heving been in the form of technicians and equlpment for the health and education programmes which were being mounted in the country immediately after the 1979 revolution. However, last May a bilateral agreement was signed valued at $200m to be spaced over several years: $100m will be used aa credits to buy agricultural and industrial machinery, $50m to begin work on a 350 Mw hydroelectric project, and the remainder for telecommunications, health and geophysical survey projects.

Nicaragua is short of ready cash, and is busy *paring imports* to the bare minimum to try to close an annual balanre of payments deficit on current account of some $400m. Those countries prepared to offer lines of credit to Nicaragua are those presently winning the contracts.

UK NEWS

Pace of wage increases slows further

BY OUR ECONOMICS CORRESPONDENT

THE GOVERNMENT received further encouraging news about inflation yesterday from official figures that showed that the trend of earnings increases cootinued to moderate in January.

This followed news earlier this month that the prices paid by industry for fuel and raw materials actually fell in February, while the annual rate of increase in factory gate prices also dropped to 7.1 per cent, its lowest for a decade.

Yesterday's figures, from the Departmeot of Employment, showed that the underlying annual rate of increase in average earnings in January was 7¾ per cent compared with 11 per cent a year earlier and 16 per cent in the summer of 1979.

The actual increase in average earnings in the 12 months to January was 8.5 per cent, rather higher than the December figure, but after allowing for special factors, officials believe that the trend is still downwards, as it has been since the beginning of last year.

Separate figures from the Confederation of British Industry (CBI) also released yesterday, suggest that wage settlements are also continuing to moderate in manufacturing industry.

It says the average level of pay settlemeot reported since the start of the present wage round last August was 6 per cent, and the average reported in 1983 is 5.7 per cent.

The CBI reports that about e fifth of settlements reported to it in the present round were for 4 per cent or less, and about two-thirds of increases notified were less than 7 per cent.

Although these figures will encourage the Government, only about 15 per cent of the workforce had reached a settlement by January. The main month for wage settlements will be April, and the Government will be watching anxiously to see whether negotiators continue to be influenced by the falling trend in price inflation.

Many commentators believe the inflation rate could fall to less than 4 per ceot by May, before beginning to rise again to an expected 6 per cent to 7 per cent at the end of the year.

BRITISH COMPANIES IN RUNNING FOR MUTLI-MILLION POUND CONTRACTS

Chinese seek the clean air solution

BY COLINA MACDOUGALL

A MISSION from one of China's key environmental agencies arrives in London tomorrow for a three-week tour of Britain's anti-pollution equipment manufacturers which could signal the opening of a new market for British exports.

The delegation is from the Beijing (Peking) Municipal Environmeotal Protection Bureau. Its visit is sponsored by Pencotech of Crawley, Sussex, whose sister company, Pencotech International, signed a letter of intent last November with the Beijing Economic Development Corporation on co-operation in overcoming environmental problems caused by pollution.

"China plans a massive anti-pollution exercise over the next 20 years which could cost in all some £10bn," Mr Tom Wells, managing director of Pencotech, said. British companies were in the running for some of this business, which could run into tens, if not hundreds of millions of pounds.

The Chinese mission will visit several local authorities in Britain and companies involved in waste disposal, incineration and air purification techniques.

China has been concerned about pollution problems for several years. The smog in Peking alone was reported to be severe enoogh to break the recording instrumeots of a visiting United Nations environmental team and most Chinese towns are polluted by billowing soot and waste gases.

Pencotech is a newly-established company concerned with trading and consultancy services. "In effect, we expect to end up rather as consultants to the Chinese," said Mr Wells. "On this trip the Chinese are paying their own expenses. Our role is to introduce them to British companies who can help them."

Lord Michael Morris, Pencotech's chairman, has made several trips to China recently, furthering this project and several substantial deals in other fields

More ships join idle world merchant fleet

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE VOLUME of shipping idle for lack of business continued to rise in the early weeks of 1983, with latest figures from the General Council of British Shipping showing that 13 per ceot of the world merchant fleet was laid-up at the end of January.

This amounted to 86.8m deadweight tons, a rise of 3.1m dwt from the level at the end of December 1982. The number of idle ships was 1,645 against 1,549.

January was the eigth successive month in which laid-up tonnage reached e new record. At the end of January last year, the figure was 28.9m dwt. Two years ago, it was 9.5m dwt.

Figures show that 16 per cent of UK merchant tonnage was laid-up at the end of January, comprising 30 tankers of 3.9m dwt and 56 dry cargo ships of 1.9m dwt.

Among other major fleets, 18 per cent of the Liberian convenience flag fleet was laid-up, Greece 30 per cent, Norway 27 per cent, and Panama 8 per cent.

Sainsbury to raise cash in store leaseback deals

BY RAY MAUGHAN

J. SAINSBURY, the largest food retailer in Britain, is preparing a major cash-raising exercise through the sale and leaseback of a selected portfolio of its stores which is expected to raise substantially more than £30m.

Edward Erdman and Healey & Baker, two leading estate agents, are expected to be appointed to advise on the transaction, although it is understood that Sainsbury has beeo negotiating directly with a small group of institutional investors in the City of London.

The group has been funding a rising level of capital spending largely through its own cash flow which it has supplemented by a modest level of sale and leaseback proceeds and net asset disposals.

The supermarket sector's ability to generate strong cash flows has come under pressure from the fall in food price inflation – Sainsbury's own prices are now thought to be rising at an annual rate of only 3.5 per cent

HOW ANALYSTS SAW THE HOWE BUDGET

Brokers detect relaxation of monetary policy

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE CITY of London's reaction to Sir Geoffrey Howe's budget was restrained but generally favourable. Most brokers said it would be mildly encouraging to the markets, although some of the Treasury'a economic assumptions were considered optimistic. They generally detected a relaxation of monetary as well as fiscal policies.

"Chancellor Scrooge – that most austere of all recent incumbeots of No 11 Downing Street – has relaxed, but only slightly," says the broker Simon & Coates, and most other analysts had a similar message.

Capel-Cure Myers said, more soberly, that the measures were fully in tune with the philosophy which shaped Sir Geoffrey's four earlier budgets. But the broker Laing and Cruickshank characterised it as: "Mortgages before monetarism".

Phillips and Drew believes that the budget measures will add about 0.2 per cent to output in the current year, but it commeots that the 7 to 11 per cent target for the growth of the main monetary aggregates is "not tight when set against the Treasury's forecasts for output and inflation."

It says: "This is likely to raise doubts over the anti-inflation thrust of the Government's monetary policy."

On the other hand, Phillips and Drew says the market for Government securities will be encouraged by the renewed commitment to fiscal restraint, even though it thinks the forecast of an £8bo public sector borrowing requirement for next year is more than usually tentative in view of the uncertainties about oil prices.

The general view of City analysts is that the Treasury's forecast of 2 per cent growth in the current year may be a shade on the high side while its predictioo of an annual inflation rate of 6 per cent by the end of the year may be optimistic.

James Capel, for example, is forecasting that inflation will reach 7 per cent by the end of the year, which is broadly in line with the projection of Phillips and Drew, which believes inflation will accelerate to 8.2 per cent in the second half of 1984. Simon & Coates also thinks inflation may exceed the official projection, though perhaps only slightly.

Views on whether the budget was deflationary, reflatiooary or fiscally neutral are mixed. Simon & Coates thinks the Chancellor relaxed somewhat and believes that rather optimistic assumptions about oil revenues and the need for a contingeocy reserve could lead to an overshoot of the public borrowing target next year.

Laing and Cruickshank, which has beeo an outspoken critic of aspects of the Government's restrictive stance, thinks the budget represents a further tightening. It says: "Fiscal policy remains restrictive, and despite pre-election window-dressing, worryingly, the discretiooary fiscal stance is further tightening."

Simon and Coates says that if the Chancellor had been in one of his more miserly moods, he could easily have made assumptions which would have eliminated the scope for tax cuts within his chosen borrowing target.

It comments: "The fact that this, the most austere of all recent Chancellors, chose to make optimistic assumptions ... shows that even he cannot turn a blind eye to the impending election."

James Capel comments: "The Budget is notable more for the positive assumptions it makes about the economy, particularly in 1984, than for the actual measures it contains." It concludes that the upward movement of equity prices is likely to continue eveo though there may be some question whether the awarness of a growing potential for profit increases next year will be enough to sustain the market."

Hoare Govett says the budget will have little macro-economic impact and adds: "What is of paramount importance in our view is the mooetary angle and here the Chancellor has set targets which promise to provide a continuing substantial credit stimulus.

BASE LENDING RATES

A.B.N. Bank	10½%	■ Hambros Bank	10½%
Allied Irish Bank	10½%	Hargrave Secs. Ltd.	10½%
Amro Bank	10½%	Heritable & Gen. Trust	10½%
Henry Ansbacher	10½%	■ Hill Samuel	§10½%
Arbuthnot Latham	11 %	C. Hoare & Co.	†10½%
Armco Trust Ltd.	10½%	Hongkong & Shanghai	10½%
Associates Cap. Corp.	11 %	Kiogsnorth Trust Ltd.	12 %
Banco de Bilbao	10½%	Knowsley & Co. Ltd.	11 %
Bank Hapoalim BM	10½%	Lloyds Bank	10½%
BCCI	11 %	Mallinhall Limited	10½%
Bank of Ireland	10½%	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank Street Sec. Ltd.	10½%	National Westminster	10½%
Banque Belge Ltd.	10½%	Norwich Gen. Tst.	10½%
Banqne du Rhone	11½%	P. S. Refson & Co.	11 %
Barclays Bank	10½%	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	10½%
Brit. Bank of Mid. East	10½%	Standard Chartered	‖10½%
■ Brown Shipley	11 %	Trade Dev. Beok	10½%
Caneda Perm't Trust	11½%	Trustee Savings Bank	10½%
Castle Court Trust Ltd.	11 %	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	10½%
Cedar Holdings	11 %	Volkskas Intl. Ltd.	10½%
■ Charterhouse Japhet	11 %	Westpac Banking Corp.	10½%
Choulartons	11½%	Whiteaway Laidlaw	11 %
Citibank Savings	¶ 9 %	Williams & Clyn's	10½%
Clydesdale Bank	10½%	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10½%
Comm. Bk. of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*10½%		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	10½%		
E. T. Trust	11½%		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Crindleys Bank	‡10½%		
■ Cuinness Mahon	10½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 7.5%; 1-month 7.75%. Short-term £8,000/12-months 10.1%.

† 7-day deposits on sums of: under £10,000 7½%, £10,000 up to £50,000 8¼%, £50,000 and over 9%.

‡ Call deposits £1,000 and over 7½%.

‖ 21-day deposits over £1,000 8½%.

§ Demand deposits 7½%.

¶ Mortgage base rate.

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UK NEWS

Challenger tank may be the last of a line

By Lynton McLain

CHALLENGER, Britain's latest and possibly last cooventional battle tank, was handed over to the army at the Government's tank works, the Royal Ordnance Factory, Leeds, yesterday.

The 60-tonne computerised tank costing £1.5m, including spares, is the first new main battle tank for the British Army for 20 years. It is based on Shir II tanks nrdered, partly paid for but not delivered, to the late Shah nf Iran.

About 250 Challengers are to be ordered in a £375m programme which guarantees work for the 1,700 workforce at the Leeds factory for the next five years. This will be a crucial period for the Royal Ordnance factories which the Government intends to form into a company under the terms of the Companies' Act.

Legislation is needed and no final decision has been made on the future of the factories. But options include a complete flotation on the London stock market, a joint venture with other private companies, or a part sale of shares.

Royal Ordnance factories are expected to report sales of £450m and profits after interest of about £60m for the financial year to March 31.

Challenger will replace about a quarter of the ageing Chieftain main battle tanks in service with the British Army of the Rhine. The Ministry of Defence has no plans et present to order any more Challengers, and only four armoured brigades will receive the oew tanks, starting in the middle of next year.

Work on the full development of the Challenger started in September 1979, six months after Ayatollah Khomeini cancelled the Iranian tank deal. Among Challenger's features is a computerised gun turret which takes account of wind force, air temperature and barrel wear before firing. While further developments could extend Challenger's life well into the next century, the future of tank design is now under study.

The Defence Ministry has asked Alvis, the former BL subsidiary now part of United Scientific, Vickers, the only private tank maker in Britain, and ROF Leeds for their ideas on new tanks or other military solutions such as missile carrying helicopters. The Ministry specified what it wanted the new equipment to do and expects to have an initial response later this year or early next year.

Hopes ride high on five-nation aero-engine partnership

Michael Donne explains how a multi-nation project could revolutionise a world aero-engine market

THE PRELIMINARY five-nation agreement signed last week betweeo Rolls-Royce of the UK, Pratt & Whitney of the U.S., and five other engine companies in West Germany, Italy and Japan, is the first major breakthrough in what is still likely to be a long, expensive and tough road towards the eventual emergence of a new aero-engine.

With the other companies involved – Motoren und Turbinen Union, Fiat Aviazione, Ishikawajima Harima Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries – Rolls-Royce and Pratt & Whitney have agreed to work together to develop a $1.5bn engine for the prospective 150-seater airliner market – a step that could revolutionise the world aero–engine scene for the rest of this century and well into the next.

The proposed new venture does not set a precedent in internatinnal aero-engine collaboration – there have been many examples of such co-operation over the years involving Rolls-Royce and foreign companies in Europe, Japan and tha U.S.

General Electric of the U.S., the third of the "big three" world aero-engine builders, is itself already co-operating extensively with Snecma of France in a company called CFM-International, building the CFM-56.

That engine is already finding extensive markets in re-engining DC-8 jet airliners and U.S. Air Force KC-135 tanker-transports, while versions of that engine are also designated for use in the new Boeing 737-300 short-range jet airliner, and in the prospective Airbus Industrie A-320 aircraft.

What is significant about the latest agreement is its scale – seven companies in five countries – with its implicit acceptance that the costs and technologial complexities involved in the development of any new aero-engine today are such thet the wider the international collaboration that can be achieved the better chance of success there will be in world markets.

Tn have three engines competing for the prospective 150-seater airliner market from Rolls-Royce, Pratt & Whitney and GE/Snecma – would have been, in tha word of Mr Robert Carlson, president of Pratt & Whitney, "suicidal," with an investment in engines alone for that sector of the airliner market of some $6bn.

The projected new engine is aimed at somewhere between 20,000 lbs and 30,000 lbs of thrust, and will probably be built in several versions, making it suitable for a wide range of new jet airliners, although the primary market will be the projected short-range 150-seater.

It has been estimeted that the likely market for such an aircraft could amount to more than 1,500 units over the next decade, worth over $50bn, thereby more than justifying the heavy investment in both the new engine and in the competing airframes.

The types of possible aircraft envisaged include the Airbus Industrie A-320; the Boeing 737-400, "7 Dash 7" or derivatives of the 757; and the McDonnell Douglas DC-9X and D-3300. Not all of these are likely to be built – perhaps at most two or three will emerge, depending on market conditions.

Now that the chances of a major new engine, specifically tailored to their needs, have improved, the airframe manufacturers themselves will be more likely to consider developing the new aircraft. Nn airframe builder can offer an airliner on the world market without a firm engine programme to go with it. The most immediate effect of the seven-company engine announcement, therefore, is likely to be an upsurge of interest in the airframe companies, and in the world's airlines, in new prospective 150-seat aircraft.

But it is stressed both in the aero-engine and airframe industries that the world market is still depressed, with airlines still reluctant to invest in major new ventures while their financial fortunes are at such a low ebb. There will bave to ba firmer signs of an economic recovery world-wide, bringing with it better financial times for the airlines, before they will be likely seriously to consider re-equipment with 150-seaters oo any significant scale.

The agreement now signed is subject to several further major developments. One is the ratification of the pact by the respective boards of directors of the companies concerned, and also by shareholders, which means both government (as in the case of Rolls-Royce) and private stockholders (as in the case of Pratt & Whitney, Fiat, MTU and the Japanese companies).

The governments' involvement is crucial, because although Pratt & Whitney will fund its share of the venture entirely from its own resources, much of the casb for the Rolls-Royce and Japanese companies' shares will be provided by their respective governments under launching aid (although Rolls-Royce itself will probably be expected to find some part of its share from its internal funds). Settling these financial details will involve much discussion over the next few mnnths.

There is also the question of getting the approval of the U.S. Justice Department for the venture, so as to avoid any difficulties with anti-trust laws. This may not be so difficult as at one time thought likely, largely because Pratt & Whitney can point to the precedent established by the General Electric/Snecma agreement, which already creates considerable competition in the market-place.

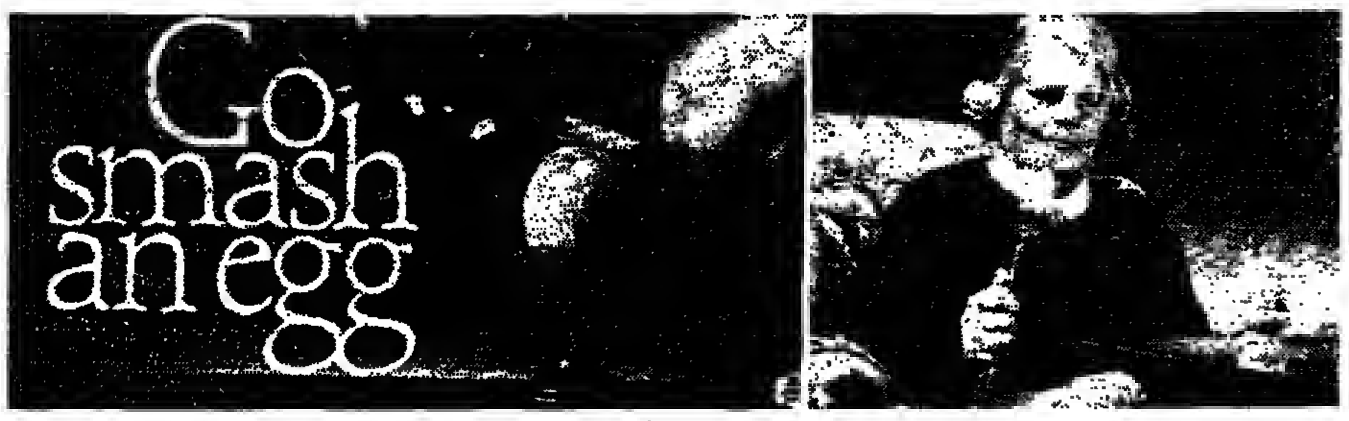
At technical working level, what is at present a "broad-brush" agreement on work-sharing has to be refined in considerable detail. The distribution of the remaining 40 per cent of the work (after the 30 per cent each for Rolls-Royce and Pratt & Whitney) between MTU, Fiat Aviazione and the three Japanese companies, has to be worked out to the satisfaction of all parties (and their governmeots).

Rolls-Royce and the Japanese will be responsible for the "compression" section of the engine, including the fan and compressors and Pratt & Whitney, MTU and Fiat for the "expansion" section, including the turbines and gearbox.

The new engine will not be called the RJ-500 – that it is the name givan to the engine on which work has been done already by Rolls-Royce and the Japanese companies under their own joint company, Rolls-Royce/Japanese Aero-Engines. But the new venture will draw heavily upon the technology evolved for the RJ-500 (of which two "demoostrator" engines have already run on the test beds in Derby and Tokyo). It will also draw heavily oo the work done by Pratt & Whitney on its PW-2037 power-plant which is the 37,000 lbs thrust rival to the Rolls-Royce RB-211-535 engine in the Boeing 757 jet airliner.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ



Eggs try to crack a wider market

Feona McEwan reports on McCann's aggressive approach to promoting a staple food

The current campaign (above) and (right) an ad from the 1980s

HOW TO crack the egg problem is the task currently exercising the mind of the Eggs Authority. The most obvious expression of this is a rash of posters on *hoardings and bus shelters* around the country, urging us to do damage: "Go smash an egg."

On television, a startlingly offbeat campaign has been launched, with the authority having co-opted four of the box's most watchable eccentrics — Barbara Woodhouse, Billy Connolly, Diana Dors and Willie Rushton—to do just that.

The second burst of egg-beating on the box starts in 14 days' time.

But why the fuss? Surely eggs, of all things, sell themselves. An egg is an egg, as they say, whoever lays it. Branding plays a supporting role only and, anyway, eggs are staple fare—every kitchen must have some. So what is the point of advertising an essential foodstuff?

If it were that simple, there would bave been no need for the major advertising campaigns whose slngans have diverted us over the past 15 years. "Happineses is egg-shaped," "Go to work on an egg," "Crack a meal," and, latterly, "Thank goodness for eggs"—these are now part of advertising history.

The figures, bowever, tell the real story. Eggs are not as essential to consumers as producers and retailers would like *them* to he. A colossal 10bn were cracked in UK bouseholds in 1982, worth £700m in sales, but this represented a 2 per cent decline nn 1981. Over the 15 years to 1980 egg consumption has fallen by 11 per cent.

Nor are eggs alone in this. Milk and British cheese know well the draught of falling sales, though milk, in the face of soft drinks competition, maintains a high profile with heavy advertising some four times more costly that the eggs campaign.

What this trend reflects is a fundamental shift in the way we run our lives—a move to which fresh *food* producers on the whole have been slow to respond. With half of all married women between the ages of 20 and 45 now going out to work, the young leaving home earlier than ever and catering for themselves, and the increase in one-parent families, family living patterns have altered markedly. The eating habits of at least two generations have changed. Today, for instance, about 90 per cent nf all children start the day without a cooked hreakfast.

The task for advertising agency McCann-Erikson, which bas held the eggs account since 1971, is to bring eggs hack into puhlic awareness.

McCann's pre-campaign research fnund a hard core of egg-eaters in those mums who bad grown up with eggs and for whom cooked family hreakfasts are a must.

The problems were the young working mums and single youngsters who ate "on the wing" and were not too heavily into food. As for children, who influence many a food decision, the competition for their favours in the convenience food sector is stronger than ever. Eggs, says McCann, were seen as worthy, a bit nohle and boring.

Throw in the changes in the retail trade: fewer independent traders, most of whom actively sold eggs, the growth of self-service multiples with all the chnice they offer, plus the possible threat of foreign competition now that the import ban on eggs has been lifted and it is ohvious that eggs are in need of a booster.

It's a risk nf generic advertising that it doesn't differentiate hetween imports and the bome-grown product. One industry observer reckons the French bave not featured yet nn the British egg market because, ha says, prices are not high enough, hut should there be a home shortage, there could be an influx. In the light of this, the newly-launched Government-hacked Food from Britain marketing exercise is timely. Interestingly, McCann also found that eggs were not price sensitive—consumers were willing to pay as much as 5p more per half-dozen.

Previnusly egg advertising bad heen aimed at the housewife—hence the ads featuring Tony Hancock and his daft "wife" (1966). Bernard Miles in homely farmer guise (1960) and the kid and aunty, Sam and Aunt Et (1970), in the 14 years (to 1971) when the now-defunct British Egg *Marketing* Board parked its account with Ogilvy and Mather. The earlier campaign in 1958 was concerned with eonveying the quality nf *eggs, symbolised by* the lion stamped on each one, something current advertising can now take for granted.

The strategy this time is deliberately to court the unimpressed young while not forgetting the others too—hence the zany attention-grabbing commercials soon to break out again on breakfast and *evening* screens.

Now with a hudget of £2.5m the Eggs Authority has upped its advertising by nearly £1m on last year, according to MEAL figures.

Generic advertising is, hy definition usually a long term exercise, involved as it is in altering a product's image; the agency is monitoring reaction with awareness testing throughout the campaign as well as running a double-weighted campaign in the Anglia region. Much more than this the Authority—which represents the 50,000 egg producers and distrihutors and is concerned primarily with hringing the product to market (unlike the Milk Marketing Board which actively sells too)—cannot do.

The rest, says the anthority, is up to individnal retailers and distrihutors to take up the clout and promote the product at point of sale.

Market Research Society

Industry shows greater interest in getting the message

BY ANTONY THORNCROFT

BRITAIN'S market researchers, gathered this week in Brighton for the annual conference of the Market Research Society, can afford to be in an optimistic mood. *Their industry has* ridden the recession well. The 25 member companies of the Association of Market Survey Organisations, which includes *all the leading research firms* and accounts for nver two thirds of the industry's UK turnover, have announced combined sales for 1982 of £80.3m, a 13 per cent *increase over 1981.*

So for the second successive year the industry has registered real growth above inflation. Profit margins remained at 7 per cent, with pre-tax profits rising from £4.86m to £5.66m. Although, as always, those research companies with clients tied in to continuous surveys, *such as AGB* (with a 13.7 per ceot profit margin) and Nielsen (9.5 per cent), did best, there was some gain for the companies that compete for ad hoc *assignments — their margins* were 0.9 per ceot higher at 4.8 per cent.

AGB maintains its dominance in British research with a year end 1982 turnover of £17.6m, a 17 per cent gain on the year. Nielsen had sales of £14.15m, a 12.8 per cent expansion. Then there is a big drop to the NOP *Group, with £7.7m turnover,* a 25.5 per cent gain, and Research Bureau 19.8 per cent higher at £7.28m.

If you add in almost 200 tiny *outfits* the *total expenditure* on market research in the UK last year was about £120m, which, per head *of the* population, is roughly in line with expenditure *in the U.S. It suggests that* while the research companies *have failed* to make much impact nn the public consciousness — which only knows about *research in the context of* public opinion polls which even in a probable election year provide less than £2m in revenue — British industry is at last taking research seriously.

Indeed, in recent years companies have been running down their *internal* research departments (only Procter & Gamble, Mars and ICI maintain majnr units) and rely on the 800 researchers, supported by over *4,000 auxiliaries,* to ask the questions which they bope will enable them to plan future investment better. Surprisingly the traditional buyers of *research, the food and* drink industry, still dominate, increasing their commitment in the past five years by a fifth to contribute 30 per cent of research *turnover. This* is probably because consumer spending has held up well in the recession and competitiveness in this area has fnrced *continuous research* projects on manufacturers.

Retrenchment by government

The sector which has declined most rapidly is research commissioned by central and local government—down by over 100 per cent in five years to 3.1 per cent of the total. Motoring, commercial and financial, and retail research have bowever, grown to compensate for the retrenchment by government.

For the future the larger *research* companies are encouraged by the potential in overseas research. AMSO members exported over £5m worth of research last *year and* with the advantages of English as a universal language, and the recent fall in sterling, the UK is well placed to he the centre for multi-national research assignments.

But one of the extraordinary peculiarities of the UK market research industry—its imperviousness, apart from Nielsen, to American penetration—may be about to end. While one leading U.S. company in Londnn, Burke, has given up the struggle and merged into Research Services, another, Behavinurscan, is planning to start operations here. As one of the pioneers of computerised research linking check-out sales with manufacturers' stocks and the amount of advertising, it is in a research area with great potential for testing new products (although it might find British companies less willing to pay for such a service).

The *research industry* has begun 1983 well and the expectation is for another modestly profitable year. In some sectors, notably qualitative work, *invnlving group* discussions, clients might have to wait for their research; on the quantitative side, where there are around *10,000* part-time *interviewers* to canvass opinions, competition still ensures a buyers' market.

In some *smaller* companies there are financial prohlems, and there could be more mergers this year to add to the Burke-Research Services get together; the MIL takeover of Professional Studies; and the AGB acquisition of QED, a company specialising in motoring research. The statistics produced hy AMSO (and the market research industry is now much better at practising what it preaches *in supplying* data on its own activities) underline the importance of an annual turnover in excess of £1.5m to ensure a healthy profit.

Developing continuous data in a growth area is still the quickest *road* to *success* in research. It was the path trod by AGB, now, with non-research activities, a £40m turnover *business,* and *the company* showing the greatest growth last year, Milward Brown, owes much to its specialisation in advertising tracking. It is also based in economical Leamington Spa.

The market research industry worries about its low profile—the lack of public awareness about its activities. This shows too much sensitivity: better to be prosperous and discreet than exposed to excessive attention. The one area, apart from political polls, that does catch the popular imagination, and could do more so, is TV audience figures. The fact that only 3,000 meters measure all the TV channels—and the system cannot cope with viden viewing—might cause sharper comment now that, for the first time, commercial television channels, like TV-am, are fighting to survive. (A significant finding from the AMSO figures is that media research accounts for only 5.1 per cent of turnover, a 2 per cent fall in five years. This suggests that the media is getting research, however questionably, very cheaply.)

Wants of the electorate

In time research will be more computerised—when one system ean be agreed; in time telephone qnestioning will replace much door stepping; in time the Government will use research more to find out what the electorate thinks or even wants. In the meantime business *keeps the researchers* in fine style. The lack of interest of capital goods companies in research is a *glaring* reproach but for 1983 at least the established *companies* are *probably* too busy to worry abont new research areas.

Institute of Marketing

Less 'whingeing' about how tough it is

PETER BLOOD was feeling pretty hullish about British *industry this week.* He reckoned that it was at long last on the verge of moving ont of recession and into thn promised land of a consumer *boom.*

Blood, director general of the Institutn of Marketing, was reflecting on the straw poll of almost 200 delegates at last week's institutn conference which showed that some 98 per cent were nptimistic about the future course nf the economy.

"Of course it wasn't a representative sample of British industry," admits Blood, "hnt when almost every senior marketing man from thn 200 major companies who are forward thinking enough to attend conferences *like ours say that they* are optimistic, then you can tell that something is happening ont there in industry."

Cynics might argue that the *bulk of* British *industry was* still trying to cope with the effects of the recession and had no time for junkets at the London Hilton to learn of "*strategies for success*"—the theme of the conference.

But Blood thinks otherwise. "From my close contact with marketing executives at all *levels over the* past *year, I've* felt that there is a lot less whingeing from them about how tough things are." Blood is particularly pleased that some *seven* ont of every 10 respondents to last week's survey were at director *level* —"which shows that *this confidence is coming* from people who should know."

Certainly, most of the delegates at the conference came from companies which *had* done well nver the *past* year, with less than nne in every nine *having* reported lower profits or sales in the past 12 months.

Blood, *moreover, points out* that the optimism shown at the conference is also reflected in the high level of marketing and sales jobs that *have been advertised* nver the past few months. "This is always n clear advance indication that companies expect the level of economic activity *to* pick np," he says.

The conference poll revealed a *feeling among* 30 *per cent of the respondents* that "the greatest single marketing constraint" at present was the lack of well-trained executives.

The second most worrying constraint was a lack of commitment to marketing at board level (which suggests that the predominantly *marketing* directors at the conference felt their efforts were not being sufficiently recognised by their peers). Analysis of the figures also *shows that the complaint* came mainly from marketeers in industrial rather than from consumer goods companies.

David Churchill

TECHNOLOGY

EDITED BY ALAN CANE

COMPUTERVISION TO BUY SLICE OF CAMBRIDGE CAKE

Praise for UK CAD/CAM quality

BY RAYMOND SNODDY

MR JIM BERRETT, president of Computervision, the world's largest company in Computer Aided Design and Computer Aided Manufacture, is forthright about the quality of British expertise in CAD/CAM software.

"Damned good. Probably the best in the world." His assessment is one reason why Computervision, with more than $1bn (£66m) worth of CAD/CAM systems installed, will later next week complete its agreement in principle to purchase a slice of that British expertise — Cambridga Interactive Systems (CIS).

But the deal that has been hammered out is not just an example of an entreprenaurial company with its years of explosive growth behind it purchasing the creativity of a small company on tha way up. It is also an interesting marketing strategy.

Not only will CIS survive as a separate operating unit retaining its identity, it will be encouraged to *compete directly* against its new parent using the hardware of Computervision's competitors.

"You have to take a broad view of business these days," says Jim Berrett who took over as president and chief executive officer of CV in September after 20 years with Honeywell.

CIS software is based largely on Prime minicomputers—a Massachusetts CAD/CAM competitor of CVs—Lexidata workstations and a variety of graphics terminals from Tektronix, Westward and Benson. *And the variety is to continue.*

Compntervision bas always produced turnkey CAD/CAM *systems—complete packages* of its own hardware and software —and not everybody wants a turnkey package these days, says Berrett.

Potential

The purchase of CIS means thot CV will be able to go for the bespoke market for the first time and the two sales teams will compete.

"There was a market out there and if we were parochial about it it was going where it was going without us," Jim Berrett says. Where potential business is spotted by either the CV or CIS sales force it will be passed on to the appropriate partner, rather than, the hope is, being lost to a third party.

CV software will now run head on to competition from CIS's best known product, Medusa—an integrated family of drafting and three-dimensional modelling software on a common data base using a 32-bit Prime mini.

The marketing position is made even more complex by the fact that Prime has exclusive marketing rights to Medusa outside Europe.

The agreement is binding, has several years to run and will be honoured.

But Computervision, which had net profits of $32.38m on an annual turnover of $325.2m last year, hopes for growth with CIS in areas where Prime is not specifically represented sucb as Japan, China and the rest of the Far East.

CV obviously bopes that the CIS link will help growth in an increasingly competitive market. Compound growth rates of 77 per cent in the three years to 1981 fell last year to 21 per cent *although Jim Berrett is* looking for 25-30 per cent growth this year.

Tom Sancha (centre), chief executive of Cambridge Interactive Systems and the men who run the company— (back row) Richard Newell, technical director, and Crispin Gray, marketing director (front row) Michael Williamson, director and John Chilvers, director

Just as CV hopes the purchase of CIS will be an entreé to a new market so Tom Sancha CIS chief executive hopes he has got an umbrella under which CIS can grow internationally. It is a deal which sounds more like the merger of equals than an acquisition.

Not only are the jobs of all staff protected hut the four founders, Sancha, Dr Mike Williamson, Dr Dick Newell and Mr John Chilvers, will become significant shareholders in CV.

Tom Sancha will report directly to Berrett and as long as the British company keeps producing tha right figures it will be left to get on with it.

CIS, which will bave a turnover of £4.6m in the current financial year to March 31 and 14 per cent pre-tax profits, was started in a Cambridga living room six years ago.

It was set up by "refugees" *from* the Cambridge CAD Centre (a research institution run by tthe Department of Industry) who wanted a more commercial environment.

All four had been directly involved in the development of one of the Centre's most important products, PDMS which allows three dimensional modelling of cbemical plants or oil refineries.

In the early doys CIS kept the cash flowing by doing computer graphics for television commercials for tha Ford Fiesta and Escort.

Their first CAD product was Cablos, a simpla two dimensional electrical system which was sold to BMW in Munich and GEC at Rugby.

"Thosa two early customers gava us both credibility and the finance to continue," Sancha says.

Now CIS employs 60 people in the UK. AGS, a Dutch sister company set up to market CIS products in Europe employs another 65 and also has a turnover *of about £4m. Set* up by another former Cambridge CAD Centre employee Mr John Meaney, AGS will become part of CV as a result of tha same negotiations.

Since *it began staff turnover* at CIS has totalled four—two secretaries and two technical people. Great efforts are made, Sancho says to make it an interesting place to work.

The efforts include a kitchen stocked with bot food 24 hours a day for those who feel sometimes like working through tha night.

The deal with CV, Sancha says is so attractive "I will make a large bet that no-one leaves during the next three or four years."

It came about because Tom Sanche feared that a small company like CIS might get swept away by the majors—G. E., *Schlumberger, IBM and Sperry* Univac as well as CV—when the expected surge in demand for CAD/CAM comes as recession recedes.

CIS talked to British venture capital and engineering groups but found them too closely tied to British perspectives and the British market.

The Cambridge group says it collopsed into the arms of CV in relief, happy to find a company *devoted* to *CAD/CAM* which understood their "culture."

None the less the deal be*came politically controversial* because CV found itself negotiating the purchase of Compeda, a British Technology Group subsidiary, at the same time.

Condition

There were fears that CV, with an estimated 35 to 40 per cent of the world CAD/CAM market, would scoop up a significant slice of British expertise in the field. CV offered between £4m and £5m for the loss-making Compeda on condition that *it could be delivered free of* licence and product ownership disputes. But this the Department of Industry could not do.

Instead, Compeda was bought by Prime for £1m plus royalty commitments and in contrast to CIS its name has disappeared, and its software products will be used solely on Prime equipment in future.

Since the Compeda purchase in December a quarter of the *staff have been declared redun*dant including Dr Norman Schofield, technical director.

SYSTEM FOR PROGRAMMERS

Unix at the root of software

BY ELAINE WILLIAMS

ON the day David Saunderson qualified as a chartered *occountant*, he handed in his resignation, and started up Root Computers with a friend.

Originally trained as an engineer, Mr Saunderson had always wanted to run his own company. Root Computers is really a software company capitalising on the increasing use of the UNIX computer operating system in business computer networks.

UNIX was originally developed by Bell Laboratories in the U.S. in 1969 and was widely used by universities. In 1981, Bell began to make licences ovailable to commercial organisations and Root Computers was the first to take out o licence in the UK, says Robin Schlee, marketing director.

The main attraction of UNIX is that it is a very powerful system for programmers although Mr Schlee odmits that it ottracted some bad press because it was "not very friendly to inexperienced users."

One of Roots activities is to make *the UNIX system easier* to understand so that its use in business applications can grow. However, its main work revolves around advising computer manufocturers to adapt different makes of machines to run with the UNIX operating system.

Obviously, to support the UNIX system, suitable software *must be provided*, so Root Computers is acting as a software clearing house and marketing organisations for other companies which have developed programs.

Recently, Root Computers obtained *£200,000 of funding* from the National Water Council Pension Fund and has grown to o staff of 16 in obout two years. Mr Saunderson said that this growth was expected to continue in the light of the increasing acceptance of the UNIX system by major computer makers.

Monitoring

Locational data

CARDKEY SYSTEMS, the computer controlled access specialist, has devised a card-based *system that monitors* the whereabouts of off-shore personnel for safety and security pnrposes.

Cardkey says that the system was developed in response to the Alexander Kielland disaster which "forced government and off-shore platform operators to *improve safety for personnel*, especially the way they can be accounted for in an emergency."

Developed in conjunction with Elf and presently being installed on their platforms in Frigg Field, the system uses existing submarine cable, VHF radio or satellite com*munications links* to send the data to e central point ashore.

The locational data is obtained each time an individual uses his card to gain access to parts of a platform, or board or leave a helicopter ashore or afloat. The data is mustered centrally with printed reports as required.

If communicatians links fail, the data is stored locally until they can be re-opened. More on 0734 415211.

Sales

Briefcase reader

SERVICE ENGINEERS, sales representatives and anyone who travels obout with o good *deal of data* could benefit from the use of microfiche and briefcase reader just introduced by Agfo Gevaert.

Known as the Copex LF203, the unit has a 12 inch (300mm) screen on the inside of the lid and can be powered either from a car battery via the cigar lighter socket or *from the mains*. Tha 12-volt halogen lamp is rated at 100 watts and has a life of about 1,000 hours.

Despite the compact dimensions (19 x 14 x 5 inches) and the weight of 13 lb, Agfo has managed to incorporate a three-lens turret allowing microfilm to almost any reduction to be easily read. More on 01-560 2131.

Machine tools

Colchester lathes

A NEW range of CNC centre lathes with two axis microprocessor controls available in gap or straight bed configurations has been announced by the Colchester Lathe Company of Essex, a member of the 600 Group.

The machines are developments of the existing Master 2500, Triumph 2000, Mascot *1600 and Mascot 1400* centre lathes and are said to be suitable for a wide range of machining applications from small bar work to large chuck and shaft work. Full technical information from the company at Hythe, Colchester, Essex (0206 865161).

Pumping

New range

A NEW range of stainless steel centrifugal pumps has been designed and manufactured by Midland Dairy Mechines. The company says that the pumps have energy saving variable speed control and low noise levels.

Applications for the pumps are in food processing, pharmaceutical, brewing and dairy produce industries. More details on 06845 3334.

Sewer system

A COMPUTER program aimed at designers of sewer systems has been developed by Thorncroft Manor Services. Written for the Superbrain microcompnter in Fortran compnter language, the program helps engineers design sewer systems to take into account expected flow and pressure on the system. It costs £300 and further details are available on 0372 376756.

JOBS COLUMN

Petfood and the art of selling to Comecon

BY MICHAEL DIXON

"PETFOOD," I said, probably sounding much as Archimedes did when he cried Eureka!

From the nervous looks of the economist and the rest of the company in the classroom, the word was not one they had expected to hear in a seminar on the economics of education. But you know how it is when you think you've made a discovery. You're disinclined to forget the idea which has inexplicably come into your head until someone has proved that it's merely a bee in the bonnet.

"Petfood is what education is like," I went on, "at least in one important way. The creatures that actually consume it are by and large not the same creatures who pay for it. So if you want to market the stuff successfully, you've got to persuade *both* sets that it's worth having."

The economist replied, that there might be a point in the comparison and perhaps, the discussion would return to it later. But we didn't. When the seminar closed we were still entangled in the, to my mind, *airy-fairy conjectures of* human capital theory.

Since then, however, I've stumbled on several other instances where in marketing terms an otherwise distinctly different product resembles petfood. The latest instance is presented by today's first job-opening.

It is for someone to market high-cost capital equipment, particularly for technologically advanced melting furnaces, mainly to the Soviet Union and other Comecon countries in eastern Europe, although also to a lesser extent in the Middle East and Africa.

The post is offered by consultant Glenn Irvine of Dolf Kohnhorst on behalf of a British-based international group which he may *not name*. So like all recruiters mentioned in this column who do not reveal their clients, he promises to abide by any applicant's request not to be identified to the employer.

Where the petfood analogy comes in is that in the planned economies of the Comecon type, even more than in centralised bureaucratic organisations in the rest of the world, the people who decide what to buy are remote from the people who have to use it.

However much an eastern European plant manager, say, might want the British group's equipment after inspecting it at a *trade* fair or whatever, the manager has little chance of getting the equipment unless favourable influence is also brought to bear on the country's Foreign Trade Organisation responsible for buying such things.

An absolutely essential qualification for the job, therefore, is knowledge of how to appeal to both elements of the customer in the countries concerned. And since Mr Irvine thinks the knowledge required can be gained only by experience, he says candidates must have been successful in selling expensive industrial equipment to Comecon countries if not also in the Middle East and Africa.

Fluency in German is wanted, and preferably in Russian as well. So is technical understanding of metallurgy or chemical engineering.

While the headhunter does not say so, I think a bit of experience of marketing pet products could help, too, especially if it has provided skill at persuading colleagues who design and manufacture products that what most attracts the user may well have the reverse effect on a separate buyer, and *vice versa*.

For example, a smell that made a pet such as a cat or dog really keen to eat a canful of food would, I'm told, be so disgusting to most petowners as to deter them from buying it. But sales would also be deterred if *the food were given a smell* that really pleased humans, because it wouldn't attract the pet to eat the food.

Of the two parties concerned, *of course*, the one *whose* basic wishes can't be ignored is the pet (although I doubt that the same applies to the user as distinct from the buying agency in Comecon countries). Hence the compromise of artificially giving the food a scent adequately attractive to the pet, which while not *appealing* to *most* petowners is at least acceptable to them.

Given that the majority of children seem to reject pretty well from the outset the educational diet which it pleases us adults to set before them, there might be a case for an analagous compromise in education . . . But that is perhaps after all a different question.

Salary indicator for the job being offered by Glenn Irvine is *about* £28,000; perks negotiable. Inquiries to him at 17 Stratton St., London W1X 5FD; telephone 01-409 0092.

Cars in Saudi

WHILE we're on about differences in commercial conditions from country to country, consultant Hamilton Howart of John Courtis and Partners tells me that a no more than adequate performance for an organisation marketing cars and other light vehicles in Saudi Arabia, is sales of around 40,000 a year.

He is seeking someone to work in Jeddah making profits *for one* of Saudi's major automotive dealers by setting up and running a vehicle-leasing department specialising in Japanese products.

Candidates should have successfully managed a large-scale vehicle-leasing operation. Overseas experience is wanted, *preferably in Saudi Arabia*.

Salary is about £20,500 free of tax except for the compulsory 5 per cent social security payment. Perks include car and fully furnished and equipped accommodation free-of-charge, albeit only for a single person for at least the first six months.

Inquiries to Mr Howatt at 104 Marylebone Lane, London W1M 5FU; tel. 01-486 6849.

Design profits

VEHICLES of all kinds will also be the prime concern of the two designers wanted by recruiter *Jim Graham to work* as the director and one of the two studio managers in charge of transport design at the Hertfordshire offices of the Ogle *Design consultancy. But the* director at least will be no less concerned with achieving profits through the design teams' work.

Success *in the commercial* as well as the leadership and drawing-board aspects of design work related to the motor industry is therefore wanted in the senior of the two jobs. Nor would the same do any harm in candidates for the studio manager's post.

Salary indicator for the director is £18,000-£25,000 with profits-based bonus, and for the less senior job £13,000-£15,000. Car among perks in both cases.

Inquiries to Mr Graham at *JAG Design* and Marketing, 39A Regent St, Royal Leamington Spa CV32 4NT. Tel. 0926 30209.

Jordan trio

THREE senior jobs with a big pharmaceuticals complex in Jordan are being offered through Peter Rolandi of Alliance Management Consultants.

The first is for a works manager who will take charge through four departmental chiefs of some 500 employees. Another is a production manager with three departmental heads and about 350 staff. The third is an engineering manager in charge of very advanced pharmaceuticals-producing equipment, and with responsibility for training local technicians.

Candidates should have successful experience in comparable work, if not in pharmaceuticals as such, then in an allied industry such as toiletries or foodstuffs.

Low-tax salaries of about £30,000 for the works manager and £20,000 for the other two, with free accommodation for family and car among perks for all.

Inquiries to Mr Rolandi at 15 Borough High St, London SE1 9SH. Tel 01-403 0894.

Group Treasurer

London **c. £25,000**

Major British manufacturing group, operating internationally in 40 countries, seeks a Treasurer to be responsible to the Finance Director for the overall control of borrowing facilities, cash management and currency exposure on the most cost effective basis. This wide-ranging function will also include the development of the Group's financial strategy and the capital structures of subsidiary companies worldwide.

Candidates, aged 35-50, are likely to be qualified in accountancy or banking, but sophisticated experience of the control, movement and raising of funds internationally, acquired in the treasury function in manufacturing industry or in clearing or merchant banks, is more important than professional qualifications. Established City contacts, negotiating skills and administrative ability are esseotial.

For full job description write in confidence to W T Agar at John Courtis & Partners, 104/112 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting reference 2169/FT. Both men and women may apply.

JC&P

John Courtis and Partners

International Fund Manager

Merchant Bank **to £20,000**

The International Fund Management Department of a major City Investment House wishes to fill a management post with responsibility for International Funds.

Reporting to the International Funds Director the person appointed will be responsible for three essential areas:
(a) Analysis and choice of investments for Institutional Clients; (b) The management of specific funds; (c) Membership of, and contribution to, the International Investment Committee.

The ideal applicant will be a graduate, aged 25/30 with established investment analysis and management experience, preferably including knowledge of Europe. In addition, the successful candidate will be familiar with the workings of the International Securities Markets and modern portfolio management techniques.

In addition to an attractive salary, with profit sharing, assisted mortgage, etc., there are considerable career prospects within our client's expanding International operation.

Please write with full career details to David Page, Foster, Turner and Benson Ltd., Chancery House, Chancery Lane, London WC2A 1QU.

Foster Turner & Benson Recruitment Advertising

Manager
UK Corporate Lending
(Recognised Bank)

This challenging opportunity will interest experienced lending managers with at least 5 years' varied corporate lending experience, particularly in the UK market.

Candidates must be able to display a successful background in marketing and leadership of people.

Salary will be negotiable and benefits include a company car, low cost mortgage, private medical insurance, pension and life cover.

It is unlikely that the successful candidate is currently earning less than £20,000 per annum.

Please write in complete confidence with career details, to J. D. Vine (Ref. 17/3), Vine Potterton Limited, 152/153 Fleet Street, London EC4. Please state separately any companies to which your application should not be forwarded.

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RECRUITMENT SERVICES

Corporate Finance

Birmingham **c. £15,000**

Our client, one of the leading and most influential stock broking firms outside London, is continuing to expand its corporate finance facility with considerable success, and in order to retain its momentum wishes to appoint someone dedicated to this activity.

Candidates, male or female, should be aged between 26 and 32, graduates with in addition an accounting or legal background with some experience of corporate financial affairs including acquisitions and new venture studies. The personal characteristics necessary to succeed within a wide range of corporate clients are equally important.

The salary package is open for negotiation and will include the normal benefits associated with a business of stature.

Please write in confidence, initially with brief details, and quoting referance 1315 to John Anderson, as Advisor to the company, at:–

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

Banking in Luxembourg

Interviews in Luxembourg – End of March

I will be visiting Luxembourg at the end of March and will have time available to meet a limited number of candidates interested in discussing banking opportunities in Luxembourg and other major financial centres.

In particular we have been asked to recruit for:

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A senior appointment with a major International Bank

Our Client, a substantial and expanding International Bank offering a full range of services, enjoys an enviable record of both success and achievement.

The current requirement calls for an experienced lending officer to be responsible primarily for the identification and development of new lending opportunities with major multi-national companies throughout the U.K.

Candidates, preferably graduates in their late 20's or early 30's, should combine a sound credit training with a proven record of corporate business development in the U.K. Personal qualities of self-motivation, maturity and flair are to be regarded as critical elements in the selection process.

This represents a significant opportunity to contribute to a well-established and ambitious institution intent upon breaking new ground. Salary is negotiable from £20,000 and the comprehensive range of benefits includes a car.

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Ideally a Law graduate, aged early/mid twenties and living within easy commuting distance of the City, you will hopefully be fluent in French. Cooperative, energetic and confident to converse at top management levels, you must above all be willing to learn.

An attractive basic salary is negotiable plus normal banking benefits. Interested? Then ring or preferably write to me, Richard J Sowerby, at Cripps, Sears and Associates Ltd., (Personnel Consultants) 88/89 High Holborn, London WC1V 6LH. Tel. 01-404 5701 (24 hours).

Cripps, Sears

GENERAL MANAGER
£24,273 - £27,370

The Scottish Special Housing Association invites applications for the post of General Manager, to fill a vacancy arising from the retirement of the present holder in December 1983.

The Association is an independent Government financed organisation, established in 1937, which makes a major contribution to the housing field in Scotland by designing, building and managing houses for rent throughout the country, by ensuring that it attains the highest possible standards of maintenance and management of its stock and by selling houses to sitting tenants. It performs a wide variety of tasks to meet the changing problems of Housing in Scotland. The Association owns nearly 100,000 houses, has some 2,500 employees, including its own Building Department, and a total annual expenditure in excess of £130m. Overall management is conducted by a Council appointed by the Secretary of State for Scotland.

The General Manager is the chief executive of the Association and is responsible to the Council for the effective direction and co-ordination of all functions. Within the policy framework laid down by the Council he/she has wide authority to carry out his/her tasks, and is supported by a recently restructured management organisation including four central directorates and three Regional teams.

Candidates for this post will require to have a record of considerable experience and proven success at a high managerial level, preferably in a housing-related field, and will be expected to demonstrate particular skills in the areas of decision-making, financial management and leadership. They should possess a degree or relevant professional qualification, and will ideally have had experience in dealing at a senior level with government departments and local authorities.

Conditions of service include six weeks annual leave, 12½ days public holidays and superannuation under Local Government Acts. Assistance with relocation expenses will be negotiable.

Further information and application forms are available from the Secretary, to whom completed forms should be returned not later than 29th April 1983.

SCOTTISH SPECIAL HOUSING ASSOCIATION
15/21 Palmerston Place, Edinburgh EH12 5AJ

SSHA

CONTINENTAL SECURITIES

City **£20,000+**

The London merchant banking arm of a major continental bank, long established in the City, intends to increase its already substantial foreign securities business by the recruitment of an additional executive. He, or she, aged around 30 with a degree or professional qualification, will have a sound knowledge of continental securities and experience of placing them with investors in the UK. A working knowledge of French is an advantage and, although operating within a small team, considerable initiative is required to expand this specialised business. Experience of Eurobonds would also be useful. The successful candidate is unlikely to be currently earning less than about £20,000.

Please send full career details in confidence to:

Denis V. E. Howard
Recruitment and Selection Consultant
Third Floor, 4 Cromwell Place
London SW7 2JJ

CHIEF EXECUTIVE — MONEY FUND **£30,000+**
Our Client, a respected city institution, wish to establish a Money Fund. We would like to hear from ambitious well motivated applicants, with substantial experience gained in Londoo, of providing money managers, stockbrokers, corporate and individual depositers with the services associated with a first class Money Fund.
Please contact: Brian Gooch

CREDIT ANALYST WITH GERMAN **c£13,000**
Our Client, an American Bank, has an immediate vacancy for an experienced Corporate Credit Analyst. The appointee should have American Bank training and at least a years credit experience for this demanding post.
Please contact: Brenda Shepherd

FOREIGN EXCHANGE DEALERS
Due to the increase in demand from our clients for talented money market dealers, we have twelve posts that are unfilled. Requirements vary from juniors with a years experience, to those who are well established and known in the market.
Please contact: David Little

GRADUATE BANKERS
Challenging positions calling for two graduates with up to 5 years Forex banking experience are available with an expanding international bank. This is a new venture for the bank who are seeking to introduce standard operating procedures in their dealing rooms throughout the world. Extensive travel is envisaged.
Please contact: Paul Trumble

MANAGER — COMMERCIAL LENDING
A Marketing/Account Officer is sought by this Canadian Bank to manage a small team providing short and medium term finance mainly in the UK sector. Successful candidates are likely to be aged 35 years or older and earning in excess of £17,500 p.a.
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For further details please contact Lewis Marshall or Natalia Straughen in strict confidence

41/42 London Wall, London EC2. Tel: 01-588 0781

Investment Management

Municipal Mutual Insurance Group, whose funds exceed £400 million, is seeking an Assistant to the Investment Manager. We are looking for a graduate aged 25/30 with at least 3 years' experience gained with a stockbroker or institution.

The successful candidate will be expected to make a rapid and significant contribution to the management and administration of the Group's assets which include overseas equity and fixed interest securities and range across general insurance, life and superannuation funds, a unit trust and direct property investment and development.

Remuneration negotiable commensurate with experience.

Please apply in writing with full c.v. to:

Brian Stuart,
Investment Manager,
Municipal Mutual
Insurance Limited,
Old Queen St., London SW1H 9HN.

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Candidates should have proven ability and a strong background in foreign exchange dealing.

A competitive salary will be accompanied by an attractive package of fringe benefits in line with best banking practice.

Write, in strict confidence, with full personal, career and salary details to Peter Cole, Bank of America NT & SA, 25 Cannon Street, London, EC4P 4HN.

BANK OF AMERICA

CHIEF DEALER

Applications are invited for the position of Chief Oealer in the London office of a well established and rapidly growing Asian bank.

Applicants will have had at least six years' experience in foreign exchange and money markets including arbitrage and C.O. trading. A good knowledge of general banking, Far Eastern and Asian markets, and financial futures would be an added advantage. The ability to motivate staff, and to maintain close relationships with the banking community and corporate customers is essential.

Salary will be commensurate with experience and ability.

Please send full career details to:
Box A8158, Financial Times
10 Cannon Street, London EC4P 4BY

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This is a tough job and needs someone who knows the game. Significant travel is inevitable. Terms are for discussion.

Resumés, including a daytime telephone number to Stephen Bleney, Executive Selection Division, Ref. B105.

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It is unlikely that anyone with less than eight years' relevant post-graduate experience in banking or a corporate treasury environment will have the necessary breadth of experience and professional judgement to meet the demands of this role. An appropriate professional qualification would be desirable.

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I.L. Duff, Ref: 18013/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, *Sutherland House, 5/6 Argyll Street,* LONDON, *W1E 6EZ.*

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The Director, Inter-Bank Research Organisation, 32 City Road, LONDON EC1Y 1AA. Tel: 01-628 3070

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Applicants, male or female, should write in strict confidence, enclosing cv, and details of salary, quoting ref. 224, to D. B. Atkins

AMC Selection

Management and Recruitment Consultants
15 Borough High Street
London SE1 9SH
Tel: 01-403 0924

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Eagle Star Trust Company Limited, an English trust corporation, is a wholly-owned subsidiary of Eagle Star Holdings PLC.

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Eagle Star

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INVESTMENT ANALYST/DEALER– U.K. EQUITIES

LONDON EC2

The Equitable Life, a long-established and progressive mutual life office, require an Investment Analyst/Dealer to join their small investment team in the City. This new post has arisen as a result of the continued expansion of funds and will involve specialisation in a limited number of U.K. equity sectors.

Applicants, aged between 28 and 35 years should have at least 3 years' general experience in the U.K. equity market either in stockbroking or in a financial institution.

The Society offers an attractive remuneration package which includes free lunches, non-contributory pension scheme and interest free season ticket loan. The Society also operates a staff house purchase scheme.

To apply, please send full details of qualifications, salary and experience to:

Miss Barbara Brookfield,
Staff Officer,
The Equitable Life Assurance Society,
Walton Street,
AYLESBURY,
Bucks HP21 7QW.
Telephone: Aylesbury (0296) 33100

The Equitable Life

Audit in America & beyond

Exceptional career opportunity

The Price Waterhouse Package Deal to America is an outstanding opportunity for you, as a recently qualified chartered accountant, to obtain first-class experience and training as the next positive step in your career development.

First you will spend two years in one of our American offices, working on a range of national and international clients and benefiting from a series of continuing education courses. From there you move on to work with us practically anywhere else in the world, or if you prefer you can return direct to the U.K.

The Package Deal is professionally demanding. Your success will be recognised by increased responsibility and financial rewards. If you are ambitious and have above average potential, with the confidence to make the most of this challenge, please contact John Thompson at the address below. Interviews will be held shortly.

Price Waterhouse,
Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Price Waterhouse

Package Deal 1983

Finance Director

Central London — c£17,500 + Car

A successful and expanding public company, a leader in its field in the retail trade, is seeking a Finance Director, to be an active member of their management team and to contribute positively to the company's growth and development, reporting directly to the Board. Systems are largely computerised, and tight financial controls are maintained.

Candidates, aged 30-40, should be Chartered Accountants, with several years post qualification experience in a medium to large professional practice, with extensive experience of retail clients. Commercial experience in a senior role in an aggressive and successful company, not necessarily in the retail trade, would be desirable. A commercial attitude, willingness to accept responsibility, the confidence to deal at senior level, and an interest in developing with the company, are essential. A Board appointment is envisaged after two years, subject to satisfactory performance. Benefits include health insurance and a contributory pension scheme.

Details of experience and present salary should be sent, in confidence, to KJ Worthy, Stoy-MLH, 126 Baker Street, London W1M 1FH.

STOY MLH
Management Consultants

Assistant to Managing Director

City — Mid 20's

Our Client is a rapidly growing Company with expanding interests in the energy sector. It has substantial City backing and takes an active part in the management of the businesses in which it is involved.

An Assistant to the Managing Director is now being sought to become closely involved in both existing investments and in the selection of additions to the portfolio. A salary of around £12,000 per annum is negotiable but could be significantly higher for an exceptional candidate with closely related experience.

Graduates with business experience, City or relevant industry knowledge and with a facility for at least one European language, should send adequate particulars, in confidence to:

P. T. Willingham (Ref 1512),
Spicer & Pegler Management Consultants,
56-60 St. Mary Axe, London EC3A 8BJ.

Invest in your future

City — to £14,000

Aitken Hume, the fast growing banking and financial services group has a vacancy for an ambitious young qualified accountant to take up a key post in the group accounting division.

A demanding role reporting direct to the Group Controller, you will be involved in a wide range of activities and will need to demonstrate a sound commercial background.

The successful applicant who will need to be both ambitious and committed can look forward to a rewarding career with a quickly developing financial services group.

For a fuller job description write in confidence to *Roger Frye, Aitken Hume Ltd.*, One Worship Street, London, EC2.
Both men and women may apply.

AITKEN HUME

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01·588 3588 or 01·588 3576
Telex No.887374

Key opportunity for a creative management accountant to interface management information systems with computer systems
Prospects excellent in short/medium term for senior management

MANAGEMENT INFORMATION SYSTEMS MANAGER—BANKING

LONDON — £18,000 - £21,000+CAR

EXPANDING, LONG ESTABLISHED COMMERCIAL BANK

This vacancy calls for a Chartered Accountant, in his/her 30s, who must have gained at least five years' practical management accounting in a financial institution and computer systems experience, including the development of management information systems. Any banking background will be an added advantage. The successful applicant, who will report to the Financial Controller, will be responsible for a range of management information projects, including the enhancement of existing control systems; automation of certain manual systems, establishing planning systems for marketing purposes; as well as being a problem solver/trouble shooter on other ad hoc assignments. Essential qualities are strong communication skills, the ability to act as an effective interface between parties having strongly held views, plus a practical "roll-up sleeves" approach to work. Initial salary including allowances negotiable, £18,000-£21,000, plus car, subsidised mortgage and loan schemes, non-contributory pension, Applications in strict confidence under reference MISM4154/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

Opportunity for bright, practical, pro-active Accountant to develop expertise in this specialist area. Senior Management prospects excellent in short/medium term

CHARTERED ACCOUNTANT —FUNDS MANAGEMENT

ALPS

LONDON — c. £15,000

EXPANDING, LONG ESTABLISHED COMMERCIAL BANK

We invite applications from Chartered Accountants, in their late 20s/early 30s, who must have gained at least four years' post qualification experience either in the profession or with a financial institution where they will have developed strong technical knowledge and will have put theoretical concepts into practice effectively. The selected candidate, who will be a member of a small Head Office team, will deputise for the Financial Accountant and initially will be responsible for developing an in-depth Funds Management service using computer models and for various Capital Appraisal projects. Essential qualities are a practical approach to work and the ability to drive forward new ideas in a diplomatic yet effective manner. Initial salary including allowances is negotiable, c. £15,000, subsidised mortgage and loan schemes, non-contributory pension. Applications in strict confidence under reference CAFM053/FT, to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374

* Please only contact us if you are applying for one of the above positions.

FINANCIAL CONTROLLER

Financial Service Company — to £16,000 + car

Our client is a wholly owned subsidiary of a major US multinational in a dynamic stage of its development.

The role is broad ranging and includes general financial management with involvement in financial negotiations related to the company's basic activity, which is leasing.

Candidates will be Chartered Accountants with a degree and at least two years' industrial experience, preferably in a City institution or in the service industry. Ideal age 28-32.

Salary is negotiable with an attractive benefits package. Location is Central London.

Send a resumé, or ring for an application form to Stuart Adamson FCA or Alan Brown, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hitchin, Hertfordshire.
Telephone: (0462) 55303 (24 hour answering).

GS GROSVENOR STEWART
INTERNATIONAL FINANCIAL RECRUITMENT *London Brussels Hitchin*

Eurobond Trader

£50,000 – £70,000 pa (earning parameters)

An experienced Trader is required by a major American House in London. The successful applicant will be fully conversant with the straights market as a professional, and will ideally be looking for a progressive career opportunity.

Eurobond Dealer

The Merchant Banking subsidiary of a major British bank would like to employ an experienced dealer with general coverage of both dealing and placement within the Fixed Interest market. A realistic salary, dependant on age, position and exposure to the market as well as the usual fringe benefits awaits the successful applicant.

Eurobond Executives

I am always interested in talking to Eurobond Executives, at all levels, who are genuinely seeking career moves within the Capital Investment Market, whether it be to move abroad or to change their area of concentration or specialisation. To this end, I am available on 01-743 9991 outside office hours any evening/weekend or on the number below. Contact Paul Boucher for details of above positions.

Gilts Executive

Our client, the futures broking subsidiary of a major firm of London Stockbrokers, seeks an experienced Executive to develop brokerage business in Gilt Futures, on LIFFE. Experience of cash and futures desk broking essential. Competitive negotiable salary commensurate with the importance given to this position. Telephone Robert Kimbell on the number below, in strictest confidence.

CHARTERHOUSE APPOINTMENTS 01-481 3188
Europe House, World Trade Centre, London E1

Plant Financial Controller

Liverpool — to £15,000 + car

This is an opportunity to join the senior management team of a highly successful operation (c. 300 employees) manufacturing 'brand leader' consumer products. The operation is an important part of a diverse and well-known U.K.- based group with world-wide interests offering excellent career opportunities. Reporting to the Divisional Controller (off-site) the Plant Financial Controller has a staff of 10 (including a qualified assistant). Apart from ensuring an effective on-going financial service to local and divisional management the person appointed will be significantly involved in major developments that are about to be implemented in manufacturing operations and in the conversion of existing manual systems to a fully integrated computer-based system. Applicants should therefore be qualified accountants, (A.C.A., A.C.M.A. or A.C.C.A.) aged early 30's with management experience in a manufacturing environment and with first hand knowledge of installing or developing computer-based systems. Ref. 1567/FT.
Write or telephone for an application form or send full details to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB.
Tel: 01-493 0156.

Phillips & Carpenter
Selection Consultants

FINANCIAL CONTROLLER

Central London — c£18,000 + car etc

A progressive and expanding medium-sized firm of solicitors located in the West End of London seeks a Financial Controller. This is a new position calling for managerial and innovative skills of a high order.

The successful candidate will plan, direct and control all finance, accounting and data processing functions within the firm. There is scope for further development of a computerised management information system which has recently been installed.

Applicants must be qualified accountants with a good knowledge of computers. Age is less important than relevant experience and positive personal attributes. In addition to an attractive salary and a car, the firm offers generous fringe benefits.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2096, to G. J. Perkins.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR
Telephone: 01-353 8011
A member of the Mangement Consultants Association

Treasury Dealer

Continued development of the bank's trading activities has resulted in the need to recruit an experienced Treasury Dealer.

Ideal applicants should have a thorough knowledge of international treasury markets and should have been involved with the broader aspects of FX dealing disciplines.

This is a positive career opportunity and the successful candidate will be offered a competitive salary together with a full range of banking benefits.

Please write with full career details to TOM KOLLINSKY at NORDIC BANK PLC, 20 St. Dunstan's Hill, London EC3R 8HY.

Nordic Bank PLC

Accountancy Appointments Europe

International Business Centre, 1-3 Mortimer Street, London W1N 7RH Telephone: 01-637 5277 (12 lines)

CHIEF ACCOUNTANT

LONDON WC2 — C.£16,000

Dynamic young qualified ACA or equivalent with REAL PROSPECTS of a BOARD APPOINTMENT for £1m turnover subsidiary of U.S. multinational. Ability to control staff and the expertise to identify and install the appropriate computer system.

WELL OILED?

LONDON — Oil Industry — C.£14,000

Take control and exercise total responsibility for a key area of this major oil company's North Sea operations. Rapid growth and continued success mean this company is looking for young qualified accountants to become "THE DIRECTORS OF TOMORROW." To be on the safe side, phone us today!

BANK ON US!

CITY — C£13,000 + Benefits

This prestigious international bank has a great opportunity for an outstanding young graduate ACA. An initial induction period will be followed by rapid involvement in crucial decision-making and banking operations. Accelerated career and salary progression will be yours in an expanding environment.

CORPORATE REVIEW

LONDON BASE — £13,000-£15,000 + Car

British Steel needs Ian McGregor and our client seeks a young graduate ACA to increase profits, improve efficiency and make clever commercial suggestions. Watch your decisions take effect and demonstrate your business flair. A second European language is desirable.

Our cheery, super-efficient and ultra-dynamic staff await your call with eager anticipation. We can offer 15 years of unrivalled experience in the recruitment of Accountants and a close rappore with over 1,200 client companies in London and the Home Counties alone.
Please call in the first instance BARRY C. SKATES (Director) or his able assistant SARAH MUNDY. Outside office hours 9.30 a.m. - 6 p.m. leave your telephone number on 01-580 7695 (Ansafone 24 hrs.) or call the Chief Executive on 01-722 8093/0623 if urgent.

Nippon Kangyo Kakumaru (Europe) Limited

This expanding Japanese Securities Company seeks one Eurobond Sales Executive and one Eurobond Trader to join its small Eurobond team.
EUROBOND SALES—The successful applicant is likely to be about 30-35 years of age with a minimum of three years' sales experience.

EUROBOND TRADER—Applications are invited from experienced traders aged between 25 and 35 years.

Salaries for both positions will be negotiable but at an appropriate level, according to age, experience and relevant qualifications.

Applications should be made, in writing only please, to:
MR K. NAKADA
NIPPON KANGYO KAKUMARU (EUROPE) LIMITED
5th Floor, Garden House, 18 Finsbury Circus, London EC2M 7AT

ACCOUNTANCY APPOINTMENTS

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Birmingham: 021-643 4830. The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile Street, Glasgow G1.

Accountancy Appointments

Financial Director

Salary c. £35,000 per annum

Our client is a major Lloyd's insurance broker. The company wishes to appoint a Financial Director who will be responsible for a wide range of financial and accounting functions.

The selected candidate will be a qualified Accountant with significant top level management experience. Candidates must have senior management experience in a financial services environment. Preference will be given to candidates with experience in insurance broking or a similar type of business. In addition to salary a full range of benefits is provided.

All applications will be treated in strict confidence.

Please send full C.V. to: Melvyn Gadsdon, Director,

IAS

Hesketh House, Portman Square, London W1.

Senior Systems Auditor

Reigate, Surrey

c.£11,500

The Redland Group of Companies, a supplier of materials and services for the Construction Industry worldwide, has a vacancy for a Senior Systems Auditor at the Head Office in Reigate.

The ideal candidate, male or female, will hold a formal accounting qualification and have at least two years' post-qualification experience, be familiar with systems audit techniques and have an appreciation of computerised systems.

In addition to a competitive salary, a car will be provided and other benefits expected of a progressive and successful Company.

Please write or telephone for an application form to:

J. B. Dudley, Group Personnel Department, Redland PLC, Redland House, Reigate, Surrey RH2 0SJ. Tel. Reigate 42488.

Redland

Kent/Surrey c.£13,500 plus Car

Finance Manager

Our client is a young, profitable, rapidly-growing group of companies in the building and construction industry. Concentrating on local authority and private housing, and factory building, its size and growth are now such that a Finance Manager is required to help the Financial Director in his control of an increasingly complex operation.

A qualified accountant, probably aged late twenties upwards, the successful candidate will be able to demonstrate a flexible and creative mind. Experience will have included the control of an Accounts Department, the application of computerised systems to the preparation of all statutory and management accounts, the preparation and consolidation of budgets, and associated performance measurement. Familiarity with the building and construction industry, although helpful, is not essential. Personal qualities of tact and persuasiveness, however, are.

For a candidate able to grow with the Group and its young management team, this is an excellent opportunity. The working location on the Kent/Surrey border is delightful, and benefits include contributory pension, life assurance, private medical insurance and 5 weeks' holiday. Assistance will be given with necessary relocation expenses. Some travel within UK will be necessary.

Letters of application together with CV, salary progression and any other relevant data should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy-MLH, 126 Baker Street, London W1M 1FH, quoting reference M556.

STOY MLH

Management Consultants

Financial Business Manager

Central London c£17,000 + car

Our client, a wholly-owned subsidiary of a leading U.S. high-technology multinational, designs and manufactures computers in addition to providing support services over a wide range of activities. The need for improved financial support has necessitated the recruitment of a qualified accountant to take responsibility for the operation's financial and business management.

Candidates will be of graduate-calibre, aged around 30, with experience in a similar business environment.

This senior management role involves:

★ implementing financial analysis, planning and modelling;
★ advising and supporting Divisional Management by providing relevant financial information;
★ supervising the Division's accounting function.

Essential personal qualities for this challenging but highly rewarding position include: self-styled determination, ambition, initiative and an acute business awareness.

For an individual with the ability to match the Company's progression there are excellent promotion and career advancement prospects.

Candidates should write to John Sheldrake, enclosing a comprehensive curriculum vitae, quoting ref. 912 at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Glasgow

Financial Director – Designate

North West

Construction Industry

c. £17,000 incl. profit share plus car

The company is highly respected, well established and successful within the construction industry and has a continuous growth record. Current turnover is around £15 million and expanding.

The person appointed will report to the Managing Director with overall responsibility for the finance, accounting and company secretarial functions. This includes producing financial reports, managing an established team using computerised systems and controlling funding and cash resources. Moreover the job holder will be expected to make a substantial contribution to major management decisions and to participate fully in planning and controlling forward growth strategy.

Candidates must be qualified accountants with directly relevant financial management experience within the industry. Ability to demonstrate the stature to achieve a board appointment within 12 months is a paramount requirement.

Please reply in confidence giving concise career and personal details, quoting reference FT383 to David Britton.

Arthur Young McClelland Moores & Co., Management Consultants, Commercial Union House, Albert Square, Manchester M2 6LP.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

ICFC

Accountants

CAN YOU JUDGE A BUSINESS RISK?

Solihull c.£19,000 plus banking benefits

Industrial and Commercial Finance Corporation is a private sector commercial institution providing long-term loans and equity finance to smaller and medium sized companies. Operating through 21 area offices, the investment portfolio now covers some 4,000 companies.

We are currently seeking a further Investigating Accountant to join the Management Advisory Services team. Members of this team contribute to investment decisions by appraising and reporting to our Investment Executives on the operations of the companies seeking finance.

Working alone, an Investigating Accountant will make a two or three day visit to an applicant company prior to making a well reasoned written investment recommendation. The decision process requires a blend of decisiveness, imagination and commercial realism.

You could become one of our Investigating Accountants if you have:

* Minimum of 10 years post qualification experience as a Chartered Accountant, ideally embracing investigations followed by an industrial career rising to Controller or Director level
* Facility to combine a succinct business overview with an in depth analysis where necessary
* Self-discipline to operate to tight schedules, formulate reasoned judgements and write cogent reports
* Ability to develop good relationships with financial colleagues and with customers' management.

The work entails substantial travel and an executive car is provided. Benefits include concessionary mortgage scheme and non-contributory pension plan.

Please send a full CV, including salary history, in confidence to:

M. C. Wiseman, ICFC Limited,
Radcliffe House, Blenheim Court, Solihull, West Midlands, B91 2UB.
A division of Finance for Industry plc

Senior Auditors

Starting Salary c.£11,000

Two recently qualified accountants (ACCA, ACMA, CA or CIPFA) are required. Each will head a small audit team. Previous local authority experience is not essential as many of the audits will be similar to those undertaken in the private sector.

The Council's Internal audit division has an establishment of 24 divided into five teams. One vacancy is for a team leader responsible for the audit of the education services, the other vacancy is for a team leader responsible for the audit of a number of services including building and highways maintenance, transport, stores and leisure facilities.

The postholders will be encouraged to exercise initiative, to motivate their staff and to pay a full part in the professional management of the audit division. The work is challenging and interesting, with the emphasis on systems audits, efficiency audits and the development of computer audit techniques.

For further information on these appointments please telephone Andrew Henderson or David South on 01-903 1400 extn 8226 or 8221.

BRENT IS AN EQUAL OPPORTUNITY EMPLOYER. APPLICATIONS ARE WELCOME FROM CANDIDATES REGARDLESS OF RACE, NATIONALITY, ETHNIC OR NATIONAL ORIGINS, AGE, MARITAL STATUS, SEX, SEXUAL ORIENTATION AND FROM REGISTERED DISABLED PERSONS.

Application forms and job descriptions from the Personnel Division, Room 708, Brent House, High Road, Wembley, Middlesex, returnable 30th March 1983. Telephone 01-903 0371 (24-hour Ansafone service). Reference number F/195 must be quoted.

London Borough of
BRENT

Management Accountant

The Company

Bayer UK Limited is part of the International Bayer Group marketing a wide range of products to various industrial users. Our Plastics & Surface Coatings Division continues to expand its business and now needs someone who is commercially orientated to join a very successful marketing team.

The Job

This is a new position. Reporting to the Division's Chief Executive, the tasks will include the preparation and control of budgets on the basis of short, medium and long range sales forecasts; monitoring profitability, controlling costs and highlighting deviations from budgets. Another major task will be to establish an information system for the Division. This work will involve close liaison with the central Accounting and Computer Departments to ensure that the requirements of the Division are met. A further responsibility will be to run the credit control in conjunction with the Sales team.

The Applicant

The successful candidate will be a qualified accountant, fully experienced in working in a demanding sales environment. The ability to be both innovative and adaptable is also essential.

The Location

Initially based at Head Office, Richmond you will be required to move with the Company in September this year to Newbury, Berks. Assistance will be given with travelling expenses until September and/or with relocation as is necessary.

An excellent salary is offered, commensurate with the responsibilities of this position, together with good Company benefits including pension scheme, BUPA, and free life assurance.

Please write or telephone for an application form to:
The Recruitment Office,
Bayer UK Limited,
Bayer House, Richmond,
Surrey TW9 1SJ.
Telephone: 01-940 6077

Bayer BAYER
Improving the quality of life

Divisional Management Accountant

c.£12,000 p.a. South Wales

Our client, is a leading company in the paper industry with a major facility situated in South Wales. Due to reorganisation of the Finance Department, an opportunity has been created at a senior level for a young professionally qualified Accountant with at least 2 years' experience in industry.

Reporting to the Divisional Finance Manager, the successful candidate will be responsible for the provision of management accounting to the Division — provision of management information and projection, and the design and implementation of business systems development — while playing a significant role as a senior member of the Divisional Management Team.

As you would expect such functions will be carried out working with data processing and computerised systems and the maintenance of the data base as it is developed.

On-going duties will involve the reviewing of systems, study and assessment of staff and procedures as well as the supervision and motivation of day-to-day departmental performance.

If you have the requisite depth and weight of experience required including experience and knowledge of mainframe and micro with at least 2 years' at senior level, coupled to the necessary professional qualifications, we will offer you an attractive salary, free life insurance, BUPA and a comprehensive relocation package where appropriate.

Please write with personal and career details quoting ref: FT/971/MG to Maureen Gillings, Moxon Dolphin & Kerby Ltd., 178-202 Great Portland Street, London W1N 5TB. Replies will be forwarded direct to our client. If there are any companies to whom you do not wish your application sent, please state in a covering letter.

MOXON DOLPHIN & KERBY LTD

RECENTLY QUALIFIED

FINANCIAL ANALYST

W. SUSSEX £12,500+

A challenging first move for a newly qualified ACA, with the pharmaceutical division of this Swiss multinational. Responsibilities will encompass the production of management information to Divisional Managers; controlling major investment proposals, developing and integrating computerised systems. Ambition and commercial acuman are essential criteria. SC/1030L.

F.M.C.G.

W. LONDON £12,000

Good communication skills and potential are essential prerequisites for a broad development role in the Head Office of this household name group. In addition to reporting management and statutory information, you will be involved in the preparation of budgets and forecasts. Newly qualified ACAs who are also graduates only. VMD/1057H.

ROBERT HALF

RH

SENIOR FINANCIAL MANAGER

Circa £17,000 + car West London

PR1ME manufacture, market and service a range of small and medium scale computers used in commercial, industrial, governmental and scientific environments. The company has an enviable reputation for sustained growth and high profitability. Due to reorganisation we now wish to appoint a senior financial manager who will be a key member of a small team working from our UK head office in Hounslow.

You should be a qualified chartered accountant, aged 25-35 years, with a strong financial background preferably gained in a sales and service organisation. Experience of USA financial reporting procedures with high exposure to EDP systems, budgeting and planning is desirable and some knowledge of consolidations would be an advantage.

In addition to a competitive salary, company car and a range of benefits you would expect from a leading computer company, PR1ME provide excellent promotion prospects and the chance to broaden your career experience.

Applicants, male or female, should send a detailed curriculum vitae to:

Mr. Robin Shelton, Finance & Administration Director, PR1ME Computer (UK) Ltd., The Hounslow Centre, 1 Lampton Road, Hounslow, Middlesex TW3 1JB. Telephone: 01-572 7400.

PR1ME

Accountancy Appointments

International Appointments

SENIOR TAXATION POSITIONS MALAYSIA AND HONG KONG

The expansion of Ernst & Whinney's tax practice in Malaysia snd Hong Kong has created the need for additional dynamic and well motivated tax managers and senior tax managers.
The appointees will have opportunities to travel within South East Asia and good prospects exist for personal career advancement. Initial contracts will be for two years with the option of renewal at the end of the period either by extension or on an indefinite basis. Details of the positions are as follows: —

Malaysia — Senior Tax Manager

Applicants should preferably be in their late 30's or 40's and have a minimum of 10 years' experience in the taxation department of a leading professional firm or with the Inland Revenue.
The job will involve the overall management of the taxation department of our office in Kuala Lumpur and the provision of taxation advice and planning assistance to some of Malaysia's leading companies.
The remuneration package is for discussion and is unlikely to be less than the equivalent of £35,000 per annum.

Hong Kong — Tax Managers

Applicants should preferably be in their early 30'a and have a minimum of 5 years' experience in the taxation department of a leading professional firm or with the Inland Revenue.
The job will involve the supervision and reviewing of tax computations, reviewing tax problems, assisting in tax planning and staff training. A great deal of client contact is involved and enthusiasm and the ability to write fluently and express views and ideas clearly is essential.
The remuneration package is for discussion and is unlikely to be less than the equivalent of £25,000 per annum.
Full relevant personal and career details should be sent in strictest confidence to Chris Attwood at Ernst & Whinney, Becket House, 1 Lambeth Palace Road, London, SE1 7EU.

Ernst & Whinney

Assistant Eurocurrency Dealer

I.T.I.B., a bank established in Luxembourg since 1973, is looking for a Deposit Dealer to join a small team.

Candidates should have several years' active dealing experience, knowledge of foreign exchange dealing is an advantage.

Good knowledge of English essential.

Applications, which will be treated in complete confidence, should be addressed to:

The Personnel Manager
INTERNATIONAL TRADE AND INVESTMENT BANK S.A.
P.O. Box 320
22-24, Boulevard Royal
Luxembourg
Tel: 26004

CHIEF F/X DEALER

Singapore

Our Client, a major international bank, currently seeks to appoint a senior dealer to take responsibility for the day to day dealing activities of its established branch in Singapore.

Candidates, probably in their late 20's early 30's, should possess a minimum of 5 years' active trading experience in a major bank, and combine proven all-round dealing expertise with personal qualities of maturity and a strong sense of responsibility.

This significant appointment is offered on the basis of an initial 3 year contract with the opportunity thereafter to transfer to one of the bank's other off-shore dealing centres. Salary and benefits will reflect the importance which our client attaches to the position.

Contact Norman Philpot in confidence on 01-248 3812

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60 Cheapside · London EC2 · Telephone 01-248 3812 3 4 5
Management Selection · Executive Search

Financial and Management Accounting

Banking **Kuwait**

Our client is one of the leading Kuwaiti banks whose continued expansion has created the need for two senior accountants to strengthen the financial and management accounting functions.

Tax free salaries are as indicated. The two year renewable contracts include free furnished accommodation, annual home leave, school fees and other benefits associated with professional overseas appointments.

FINANCIAL ACCOUNTANT c.£24,000

Reporting to the Chief Accountant, he will supervise a well established department monitoring banking operations and preparing statutory returns. Candidates must be qualified Chartered Accountants with at least five years' general accounting experience which should include international operations involving multi-currency transactions. Ref: 313.

MANAGEMENT ACCOUNTANT c.£22,000

He will assist with the preparation and revision of annual profit plans and regular management reports; and will lead investigative studies to reduce costs. He will deputise for the head of department and will continue the development and improvement of management accounting and planning procedures. A formal qualification, ACMA/ACA, is essential plus at least four years' post-qualification experience covering a full range of management accounting activities. Ref: 314.

Please send full career details, in confidence, to A. R. Duncan at Bull, Holmes (Management) Limited, 45 Albemarle St., London W1X 3FE, quoting the appropriate reference.

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THE ARTS

Lorenzaccio/Olivier

Michael Coveney

Two huge marble statues dominate John Gunter's design for Alfred de Musset's romantic tragedy about Lorenzo de Medici, insultingly known as Lorenzaccio. Upstage, a disfigured tyrant holds a victim to the ground. Downstage, we have an approximate rear view of Michelangelo's David propped up by scaffolding, its head knocked from its shoulders. Thus, in double image, is caught the story of Lorenzo's adversary, his cousin the Duke of Florence, Alessandro.

This extraordinary play is a comparatively recent discovery of our theatre. Drastic adaptation of its multitudinous scenes has always been necessary. Sarah Bernhardt played selected passages and drove Shaw to distraction. Not until the TNP's 1952 production starring Gérard Philipe was it apparent that *Lorenzaccio*, written in 1834, was a *Hamlet* for our age. In this respect it much resembles Buchner's *Danton's Death*, an almost contemporary masterpiece of revolutionary theatre with a comparable hero.

Of course the National Theatre should be doing these plays. But, as with *Peter Gill's Danton*, I find Michael Bogdanov's production a dispiritingly tepid affair, flat, stale and on the whole unprofitable.

The show is presented with staggering ineptitude. It has not, after all, been properly designed at all. Nor does John Fowles's adaptation solve the problem of making a coherent whole of the brutally short scenes. Characters tail off in mid-sentence to make a dash for the ugly surround of grey drapes. Furnishings are clumsily manipulated from the wings and Stephen Oliver's recorded ecclesiastical anthems are needlessly decorated with live musicians playing thin accompaniments out of tune and out of synch. The whole thing is a prosaically handled trundle through the play with little sign of flair, imaginative impetus or passion.

Stephanie Howard's costumes are predictable Renaissance stock and many of the actors they clothe make Sir Geoffrey Howe sound like a flame-throwing orator. Michael Bryant is decent old Filippo Strozzi, putting the argument for organised resistance with a characteristically casual authority. Basil Henson, who seems to spend most of his life dressed up as a Cardinal, made me yearn for something like Robert Helpmann as the scarlet procurer in last summer's Chichester *Valmouth*. And the rest of Mr Bogdanov's too familiar cast of bit players hold no surprises for anyone.

It pains me (well, all right, it doesn't really) to pronounce the level of execution on a par with a run-down major regional company, and you can take your pick of those at the moment. It is just not good enough to have an actor like Clive Arrindell doing his slow-burning version of the licentious *Alessandro*, a role that cries out for major histrionic interpretation. Mr Arrindell takes his clothes off after the interval and rams home the point of the bare-bottomed statue. For most of the evening, he looks as though he would rather be elsewhere and I can hardly blame him.

At least we are spared the ludicrous Marxian beefing-up operation of the RSC's version four years ago, when one of Strozzi's sons, Pietro, emerged as the voice of active struggle. The Strozzi family are galvanised by the poisoning of young Louisa just as the rational protest is gaining ground.

Lorenzo, who claims in the wonderful scene that closes the first half here to be a ghost of his true self, someone who has muddled his way to an understanding of his fellow man, becomes a hero of the hour by stabbing Alessandro on the bed he has prepared for the Duke and his aunt. Predictably, again, Mr Bogdanov goes to town on the murder, a really unsavoury business of spurting blood and vicious thumps.

Greg Hicks sustains an enigmatic portrayal as Lorenzo from the moment he appears, Hamlet-like, swathed in a black cloak and reading a book. His best moments come when he *plays off an uncle and a silk* merchant, like Rosencrantz and Guildenstern, against the Duke. He also has a good *scene* with his mother, an echo of the *Hamlet* closet episode. But the *performance never catches fire* and when Mr Bogdanov at last fills the stage with a ceremonial procession to crown the new Duke, the panoply and fanfare is curiously lacklustre. All along, we lack the swirl and sinister darkness of Musset's romanticist imagination.

Alastair Muir

Greg Hicks and Jessica Turner

Testimonium in Israel

Dominic Gill reviews a concert series of new works which reflect the Jewish tradition

Testimonium is the brainchild of Recha Freier, who lives in Jerusalem—writer, artist and patron, amatrice of wide and lively sympathies, and still today in her 92nd year a woman of remarkable energy and force; perhaps Israel's nearest equivalent to our own younger, but similarly irreplaceable, irrepressible Lina Lalandi.

It was Recha Freier's idea in 1966, in collaboration with the Polish composer Roman Haubenstock-Ramati, to found a concert series in Israel consisting entirely of new works written specially for the occasion, commissioned alike from local and foreign, Jewish and non-Jewish, composers.

Although the theme of each series was to be specific and Jewish, each commission would relate in whatever manner its composer chose to some event or tale of Jewish folklore or history to form part of a musical "testimony" to the Jewish tradition. The wider implication was inter-denominational and international (and in no way explicitly, or implicitly, Zionist): a breaking down of narrow cultural boundaries, a dialogue between composer and audience that should turn not inward but outward, a place where differing styles and cultures could fruitfully meet.

During the past 16 years, in six Testimonia, news works by composers as diverse as Luigi Dallapiccola, Karlheinz Stockhausen, Lukas Foss, Iannis Xenakis, Alexander Goehr, George Rochberg, Zvi Avni and Mauricio Kagel have been presented in programmes entitled respectively *Jerusalem*, *The Middle Ages*, *De profundis*, *Lucem cum fulgeret* ("The Light so It Shineth," a quotation from Job), *The Jewry of Spain*—and this year, *From the Revealed and from the Hidden*. Under Mrs Freier's watchful eye, and with the lively cooperation of the Jerusalem Symphony Orchestra, five more Testimonium commissions were prepared and premiered last month.

An apter theme, as it turned out, might have been "Storm, Cloud and Snow." This year the most inclement and unseasonal February weather in Israel for half a century blotted out the sea views in Tel Aviv with freezing fog, turned dusty alleyways into muddy *torrents*, and piled half a metre of snow on to the narrow streets of Jerusalem. The rehearsals for Mauricio Kagel's concert in the Jerusalem Theatre were delayed for two days while the Holy City sorted, and dug, itself out of the drifts: and when the players were finally assembled, the sonic booms which shook the windows of the hall were not for once aeroplane-made but real sky-borne thunder.

The Kagel evening was not strictly speaking part of the Testimonium. It had originally been intended to present the world premiere of a new concert version of Kagel's opera *Die Erschöpfung der Welt* ("A theme after all," according to the composer, "more Jewish even than the *Schöpfung* itself"), as one of the major events of the festival; but the huge choral and instrumental forces involved, and the rehearsal schedule they required, forced a postponement of the plan. Instead, a concert of Kagel's music was devised which also included one of his newest compositions, not the first but the second performance after its concert premiere in Paris the previous month, of *Szenario* for string orchestra and tape.

A more accurate description would be "for string orchestra and dogs." *Szenario* was commissioned by Swiss Television as a soundtrack for the famous Bunuel/Dali silent film *Un Chien Andalou*. Those who remember the film will know that it has nothing to do with a dog: but Kagel's intention was "surrealistic, as was Bunuel's and Dali's in giving the title to their film." Not merely as an accompaniment, but as an integral and wholly musical counterpoint to the instrumental score, he uses the barking and whining of three dogs, small, medium and large (as Kagel explained after the rehearsal, he had to audition dozens of dogs, soprano, alto and tenor, before he found the right voices for the parts).

I wish the piece had been played with the film: but even without it, the effect was at once humorous, serious, bizarre and strangely haunting (*echt*-Kagelesque combination). The music itself, like that of his recent *Finale*, is an expressionistic sequence, sometimes wild, sometimes sombre, that seems to suggest by the subtlest implication almost every kind of western music from 1800 to the present day—*Hammerfilm*, Ballade, Rhapsody, symphonic poem, circus act. But here, at its back, the hounds of heaven: a canine *cantus firmus* heavy with threat.

This sixth Testimonium's major premiere came from the Franco-Greek composer Iannis Xenakis. Precisely how *Shaar* (in Hebrew, "Gate") for string orchestra relates to its chosen cabbalistic text upon "The Horrible Deed of Josef de la Reina" is not specified. But the words speak of demons and whirlwinds, and the music echoes their fury. Short as it is, just over 12 minutes long, *Shaar* packs an irresistible charge: huge swirls of sound, crowd-sounds, crowd-sighs; massive surges, bright arches, of colour; dizzying ascents and descents.

At some moments it is pure energy; at others, notably the entry, high on their E-strings, of two solo violins, like some ghostly reflection, lapped in fire, of *Verklärte Nacht*, it seems to inhabit the same expressive territory as early Schoenberg. Four-note clusters, drawn like flowers in the score, are sometimes used in place of simple pitches; but their effect, remarkable sound-mirage, is that of precisely defined notes. Technically is presents many challenges. The Jerusalem Orchestra's account, for a first acquaintance, was more than adequate; but *Shaar* will certainly reveal many more of its layers and facets the more securely it is played. It would fit easily into many different sorts of programmes: London should hear it soon.

None of the other new works of the festival was so convincing, or so original in impact or manner. Tomas Marco's *Concert of the Soul* was a serious, solidly crafted, rather oppressively rambling piece for solo violin and string orchestra. It was interesting to hear it set side by side with the Xenakis: open-weave basket beside gleaming metal chalice. Leon Schidlowsky's *Ode* for full orchestra and female chorus was an extrovert, crudely painted, crudely developed colourist canvas overcast by the twin, and only partly digested, influences of Carl Orff and Karlheinz Stockhausen. (*An alternative title I heard suggested by way of very in-joke was Shlomo Buranas Reise um die Erde.*)

The 16 staged *Scenes of Chamber Music on Susskind von Trimberg* by the Russian-Israeli composer Mark Kopytmann made up a one-act opera, one hour long; and that was a very long span indeed to sustain such a decent, uncharacterful score of cinematic music, sprinkled with "serious" modernisms. Hans Joachim Hespos's aggressive *Pleuk* for 30 wind instruments and amplified double-bass takes its character, the composer informed us, from "the voices of birds' choirs at dawn." Mr Hespos comes from Friesland, and I don't doubt his word: but for some reason those Friesian birds are so angry it must be pretty dangerous to venture out of doors.

Don Giovanni/Brighton

Ronald Crichton

Kent Opera brought their new *Don Giovanni* (sponsored by Barclays) from Tunbridge Wells, where it opened recently, to the Theatre Royal at Brighton. It may be seen there again on Saturday. The pleasures of hearing this opera in a medium-sized theatre are only slightly lessened by the lack of an orchestra pit. Surely there must at some time have been one and surely they could put it back—it needn't be deep. The conductor, Peter Robinson, and the Kent Opera Orchestra may understandably feel inhibited during the opera's *stormier* moments but on Wednesday night tension was not sacrificed to damping down and detail *remained* sharp. A most competent reading.

The producer is Adrian Noble from the RSC, doing his first opera. I am never sure whether this distinction, emphasised in advance publicity, is meant as encouragement or warning. However, Mr Noble, avoiding excess, treads modestly, warily and not unsuccessfully on these dangerous paths with the aid of his designer, Bob Crowley. Among their good moments are the white-clad marble mourners for the Commander's monument in the cemetery, who are revealed in the final scene as frozen demons. Among the less good, a dreary stretch in the first act played among corn stoops and rustic chairs against an ugly blue sky cloth, badly creased.

During this sequence, Anna sings her first aria slumped on an overturned chair, wearing a Lady Billows hat. It seems under the circumstances right that the singer should use blunt endings—"Or sai chi lo bonk-bonk" and so forth. The spirits sink at this point, but such frumpishness is not general. Sets and costumes, black and cream against mainly dark backgrounds, are good in general effect, if sometimes messy in detail—a defect no doubt exaggerated by playing much of the action so far forward that the orchestra lights interfere with the stage ones.

Peter Knapp's dapper swell of a Giovanni is quick of word and glance. More sparks than fire, but a kind of cold distinction. Not too much voice to spare in the second act, but the available supply is used to intelligent effect. Thomas Lawlor's lively, un-servile Leporello, more convivial tutor than cringing domestic, is curious, not entirely convincing. The voice hardly fills out the second part of "Madamina" or underpins the sextet, but Mr Lawlor uses it skilfully. Both men are *unusually* flexible in recitative, but they tend to drop into bald, unpitched speech.

With or without vocal or sartorial graces, the Anna of Janice Cairns displays a large voice with interesting possibilities but uneven in quality. Miss Cairns went wiry in "Non mi dir," yet held attention and sympathy. Elvira is the Canadian soprano, Jane MacKenzie. Sweet timbre with a lemony tang, smooth and easy emission. So fluently done, the formidable "Mi tradi" sounds almost prim. Mark Curtis sings Ottavio's first aria most gracefully. He is barely ready yet for the second and his Welsh accent needs toning down in the recitative—the determinedly demotic translation of Norman Platt and Laura Sarti came over very clearly.

As Zerlina and Masetto, Meryl Drower and Roger Bryson give the most thoroughly accomplished performances of the evening. When this happens in *Don Giovanni*, something essential must be missing elsewhere. Geoffrey Moses voices the Commander's summons in the supper scene admirably. His stone costume and the marble drapes of his supporters are extremely well-made. On the whole, more trouble has been taken with the dead than with the living. Extraordinary how much point the display of mortality gives to the opera's moralistic but musically brilliant conclusion.

In Memoriam Rubinstein/Record Review

Dominic Gill

Artur Rubinstein was the last of the great concert pianists whose careers began before the turn of the century, and who were, for a few years at least, contemporaries of Brahms, Chaikovsky, Verdi and Debussy. In 1893, when the six-year-old Rubinstein made his debut in Warsaw, Brahms was working on his last piano compositions, Chaikovsky was writing his sixth symphony, and Debussy had just began his *Prélude à l'après-midi d'un faune*. In May 1976 at the Wigmore Hall in London he gave his last public recital. Last December he died, just a month short of his 96th birthday.

We may accept the historical fact that Rubinstein was already 75 when he gave these performances; but the playing has the energy and agility of a 25-year-old. The touch is firm, the key-descent incisive, the manner quick and commanding. I remember Rubinstein recitals in London myself from that time, and this record recalls them vividly: the run up the steps to the platform, the jaunty walk to the piano, the customary warming-up period (during which he could sometimes play very badly indeed) but then, unfailingly, later or sooner, the moment at which all loose strands were suddenly joined, and the recital proper began.

During that long and extraordinary career spanning more than three-quarters of a century, Rubinstein made more records (and probably also more public concert appearances) than any other pianist before or since. He is not short of memorials: even the most modest piano record collection will be liberally seasoned with them. A new Rubinstein release from the archive is therefore no more than an amplification of a well-documented tradition; but this one is a special pleasure, since it consists of excerpts, never before released, from the famous series of recitals which Rubinstein gave at Carnegie Hall in 1961 — 10 concerts in 40 days, without repeating a work in any programme.

In Memoriam Artur Rubinstein: Piano works by Debussy, Prokofiev, Villa-Lobos and Szymanowski, recorded Oct-Dec 1961. RCA RL 42024.

It may seem surprising at first thought that RCA's selection includes no Schumann, no Brahms, no Chopin: but the choice, as a memorial, is in fact particularly apt. Although from 1970 onwards Rubinstein tended to concentrate his energies mainly on a relatively small repertory of Romantic works, it should be remembered that his concert repertory was phenomenally large, and that for many decades he had championed the music of contemporary composers.

Music of the 20th century played a prominent part in the 1961 Carnegie Hall programmes. Here are preserved four Debussy performances, "La Cathédrale engloutie" and "Ondine" from the *Préludes*, with "Poissons d'or" and "Hommage à Rameau" from *Images*, fine-boned readings, classically poised, discreetly but not fussily nuanced; a group of 12 of Prokofiev's *Visions fugitives*, etched with brilliant clarity and good humour; the four Szymanowski Mazurkas op 50 which the composer dedicated to Rubinstein, done with the deepest sentiment but quite without sentimentality; and for a finale, Villa-Lobos's *Prôle do bébé*, a joyful tour de force. Memorial indeed.

Mozart/Barbican Hall

Max Loppert

The C minor *Missa solemnis*, K139, that the 12-year old Mozart composed for the Waisenhaus (Orphanage) Church in Salzburg was on Tuesday night performed by the London Symphony Orchestra and Chorus under Claudio Abbado. Slackly, spongily performed: in Abbado's Mozart (as in Riccardo Muti's) the electricity tends to be turned down low, as though Mozart were an altar to be bathed in a dimly-lit bush of reverence; but the Mass, for the most part a learned and impressive (of course) but not notably interesting piece, simply fails to survive such treatment. Rhythmic definition was loose; inner parts, orchestral and choral alike, seemed stuffed with horsehair, not filled with light and air. One longed for period instruments, for an authentic vocal-instrumental balance, for a more buoyantly youthful approach. A remarkably ill-assorted quartet of soloists was led by Margaret Price, in commanding voice—a pity there was so little for her to exercise it on.

The C major *Piano Concerto*, K503, which preceded the Mass, is a rather more resilient, substantial work. But here, Mozart was having to contend not just with Abbado and the LSO *flattening* every melodic contour, smoothing every textural surface, but with Rudolf Serkin in unwontedly becalmed humour.

The Provoked Wife/Warehouse

Antony Thorncroft

Vanbrugh's Restoration comedy, composed mainly while the dramatist-architect was whiling away time in the Bastille, is a masterpiece of its period. So traumatic was its effect on the London of the late 1690's, so close was its content to hypocritical nerves, that the actors were summoned for indecency and a cleaned-up version was demanded by the authorities.

The 18th century turned it into a comic farce with leading actors from Cibber to Garrick playing the part of Sir John Brute whose misogynistic cruelty forces his honourable wife to the point of adultery.

The Actors Touring Company version, playing this week and next at the RSC's old home in the Donmar Warehouse Covent Garden, relegates the knockabout to the periphery and brings the moral arguments and the poetry to the fore. With just seven actors, less than a third of the normal crew, there is much cutting and interpolation of the text, to say nothing of doubling up, and the attention concentrates on the efforts of Constant to seduce Lady Brute and his friend Heartfree to abet him.

Well-honed arguments on virtue, the wiles of women, marriage, and honour are presented with enough aphorisms and clear insights to keep an audience, however constitutionally adverse to Restoration comedy, keenly involved. Instead of the tricks and novelties we expect from ACT we get cleanly spoken and sparsely acted fidelity to the period, and to our own time.

The only exception is Susan Colverd as Lady Fancyfull, a vain ogress, who is encouraged to dominate her scenes like a painted gargoyle on speed. The restrained *performances* of the rest of a worthy cast enabled her to get away with it. Russell *Enoch* as the *cuckolded* Sir John, Valerie Braddell as Lady Brute, and Christine Bishop as cousin Bellinda, with a short effective transformation into a French maid, come out of a pleasant, if slightly superficial, evening very well.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 11–17

Exhibitions

LONDON

Tate Gallery: Peter Blake – a full retrospective of the work of Peter Blake, founding father of British Pop almost before he left the Royal College in the middle fifties, with his obsessive anthologies of everyday bric-a-brac, small boys off to the pictures with their painted ties and myriad badges, and *his Circus Ladies*, all tinsel and tattoo. Then came the film and pop stars, the wrestlers and *strippers of the sixties*, then Alice in Wonderland and Titania and her Fairy Court in the seventies. *The work is always fascinating*, often lively and beautiful, as often unresolved and tentative. *Ends March 20*

PARIS

Giorgio de Chirico: Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, *including* the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (277 1112). Closed Tue. Ends April 25

The Hague School of painting: *160 oils* and watercolours by 19th century Dutch artists depict mostly the sea and the seashore in a poetical mood or genre scenes and culminate gloriously with the beginnings of Van Gogh and Mondrian. The exhibition will go on to London and The Hague. Grand Palais, closed Tue. Ends March 28 (261 5410)

WEST GERMANY

Bremen, Kunsthalle, 207 Am Wall. Drawings, water colours and pastels by the 'Nabis' and the 'Fauves', two French groups of artists from between 1890 and 1930. Ends April 10.

Hamburg, Kunsthalle, 1 Glockengiesserwall: Portraits from Martin Luther's times. Ends April 24.

Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: 140 works by Paul Klee, August Macke and Louis Moilliet from a Tunisian trip which the three took together shortly before the First World War. Ends April 24.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 280 paintings, water colours, gouaches and graphics. Ends May 8.

Mannheim, Kunstverein, 58 Augusta Anlage: the only German venue of a roving exhibition with sculptures and paintings by Michael Sandle, a British artist. Ends March 27.

Düsseldorf, Kunsthalle: The show offers a comprehensive survey of Henri Matisse. The 80 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by a dozen sculptures. The focal point of the show is the gigantic La Danse. Ends April 4.

Cologne, Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historio in Mexico City. Ends May 15.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin, Brauhaus Archiv, Klingelhöferstrasse: German paintings from the 1920s and 1930s on loan from Hovard University's Busch-*Reisinger Museum*. Ends April 17.

Berlin, Akademie der Künste, 10 Hanseatenweg: More than 500 paintings, drawings, photographs, posters and sketches from between 1945 and 1955 by German artists. Ends March 27.

Munich, Lenbachhaus, 33 Luisenstrasse: More than 280 paintings by the Russian artist Alexej von Jawlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17

Berlin: National Gallerie, 58 Kurfürstenstraße. The only German venue of Swiss artist Ferdinand Hodler exhibition, which offers the first comprehensive survey of his work since his death in 1918. Ends April 24.

BRUSSELS

From Worth to Chanel: clothes, drawings, object d'art, prints etc from the Belle Époque to the Twenties. Musée de la Costume et de la Dentelle.

Printmakers from the Atelier Aghib: British Council (ends March 18).

VIENNA

Secession: Arik Brauer retrospective including oil paintings, gouaches, Tapestries, sculptures and jewellery.

Museum des 20. Jahrhunderts: Painters of the American West and circles of the world. *Art and culture* from the world of the Red Indians. (End March 13)

HOLLAND

Rijksmuseum van Oudheden, Leiden: Egyptian hieroglyphics on papyrus up to 4,000 years old. Ends April 4.

Diplomatic Relations between the Netherlands and the U.S. are celebrated in From New Amsterdam to New York, a collection of letters, paintings, diaries and photographs reflecting life in earlyy New York. Amsterdam Historisch Museum. Ends April 4.

Dutch contemporary artists, selected by Albert Waalkens. Museum Boymans-van-Beuningen, Rotterdam. Ends April 4.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art of the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

Asia Society: The Silk Route and the Diamond Path follows the spread of culture and wealth in Buddhist art *from the 7th to the 17th centuries*, with works in all media borrowed from the British Museum, the Cleveland Museum and Los Angeles. *Ends April 3.*

National Academy of Design: 48 paintings by the likes of Caravaggio, *Evaristo Baschenis* and *Luca Forte* prove that Italy had a still-life tradition as varied, if not as deep, as northern Europe in the baroque era. Ends March 13.

WASHINGTON

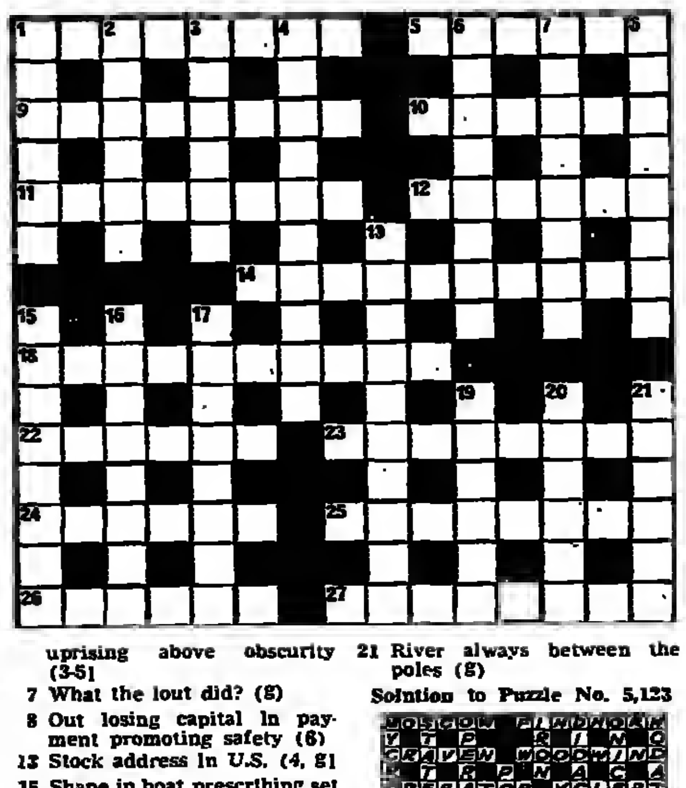
National Gallery: On the centenary of Edouard *Manet's death*, a hundred paintings, pastels and photographs show the growing interest in Paris among artists of that time, including Manet, Monet, Caillebotee, Daumier, and Vuillard, in this thematic exposition. Ends March 8. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24. (357 2700)

Corcoran Gallery: The latest in the Corcoran's *Biennials*, a tradition going back to 1907, concentrates on regional artists of the American west *with 30 living painters represented* by 108 works. Ends April 3.

CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of *cubo-futurism*, *suprematism* and constructivism through the paintings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

F.T. CROSSWORD PUZZLE No. 5,124



ACROSS

1 Institution's joke is unsophisticated (8)
5 Sam's L.P. could be a book (6)
9 Minister's a fool in the Church split (6)
10 Batting yet, we bear, inculcate gradually (8)
11 A nag with port, drunk, gets the bird (8)
12 Could be idle—likely to inflict misery (8)
14 Two kings associated with nonsense (6, 4)
18 Gained a unit and got to the other end? (3, 1, 6)
22 Mould sport to the wind in the main (6)
23 A short distance, sensible in degrees (8)
24 University man with the proofs? (8)
25 One after time's back (smallest interval) (8)
26 Spies could be sent after silver (6)
27 Gilbertian character—good man on sound unit (8)

DOWN

1 Tom's English goddess? (8)
2 Woman in mad environment (8)
3 Salt of the East in grave turn up (6)
4 Be this for toast (10)
6 Seen in summer—students uprising above obscurity (3-5)
7 What the lout did? (8)
8 Out losing capital in payment promoting safety (6)
13 Stock address in U.S. (4, 8)
15 Shape in boat prescribing set procedure (3, 5)
16 Overwhelm and I tune discordantly (8)
17 Set Uncle slew that's fit to eat (8)
19 Spar with energy, spirit (8)
20 It's nonsense to cry in short walk mainly uphill (8)
21 River always between the poles (8)

Solution to Puzzle No. 5,123

FINANCIAL TIMES
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Thursday March 17 1983

Nato tactics under review

THE RUNNING controversy over the cruise and Pershing II Euromissiles has given extra impetus and extra publicity, to an even longer-standing debate: how Nato can muster a more effective conventional defence against a Warsaw Pact attack, so as to avoid premature reliance on nuclear escalation.

One school of thought, in the U.S., is actively proselytizing the view that advanced technology will enable conventional weapons to substitute for nuclear warheads in the European theatre, by long-range attacks on the rear echelons of enemy forces. But, while Nato will undoubtedly search for ways of reducing its current nuclear dependence, it is certainly premature to assume that the alliance is on the verge of a radical shift in strategy.

Withdrawals

The first step in the search for reduced reliance on nuclear weapons is already taking place as part of the Euromissile policy. When that policy was adopted just over three years ago, Nato announced not merely that 1,000 nuclear weapons would be removed from Europe unilaterally, but also that any new deployments would lead to the removal of an equivalent number of older (and shorter-range) weapons.

The study of which weapons should be removed is still under way and is unlikely to be able to make firm recommendations to the Nuclear Planning Group when it meets in Lisbon next week. But it begins to appear that withdrawals of older systems could be much larger than the planned deployment of 572 new Euromissiles.

On the one hand, Nato's arsenal of 6,000 weapons may be regarded as an overkill capacity, which could safely be reduced without damaging credibility. On the other hand, Nato's professionals are increasingly concerned about the military utility of the very short-range battlefield nuclear weapons, which might prove to be as much of a hazard to the alliance as to any enemy.

Superiority

Such a shift, away from short-range weapons to a smaller number of long-range systems, would improve the stability and controllability of Nato's nuclear arsenal. But it would not by itself reduce the alliance's ultimate reliance on theatre nuclear weapons, given the Warsaw Pact's substantial superiority in conventional force levels.

General Bernard Rogers, Nato's top commander, has called for a faster increase in alliance defence spending to make good this shortfall. In a recession, such a request seems profoundly unrealistic. Yet public trust in alliance strategy has been rudely shaken by the Euromissile controversy and by the crusading rhetoric of President Reagan.

If the governments of western Europe wish to recover a broader consensus on defence policy, they may have to look more seriously at the conventional options.

In some instances, new technology and improved missile accuracy are already facilitating a shift from nuclear to conventional weapons. The U.S. has already announced its intention to replace the Nike Hercules nuclear anti-aircraft weapon with the conventionally armed Patriot. But some enthusiasts in the U.S. go much further, and argue that guided missiles, stand-off bombs and "smart" target-seeking weapons could largely displace nuclear weapons in destroying such targets as reinforcement armies and rear bases.

The implications of these emerging technologies, as well as the U.S. army's evolving ideas on European battle strategy, are both being discussed in Nato. But even if new hardware and new concepts can lead to a raising of the nuclear threshold, three factors will militate, in present circumstances, against any idea of a wholly non-nuclear defence posture for Europe.

Objection

The first is the Soviet Union's retention of nuclear weapons designed for the European theatre. The second is the cost of advanced technology weapons, which is no doubt being understated by their advocates, and their reliability and effectiveness, which are no doubt being overstated.

Finally, there is the rooted objection of the Germans to any change in posture which could appear to remove their territory from the protection of the U.S. nuclear umbrella, and thus make it a "safe" theatre for conventional war.

Yet, if the current re-examinations of weaponry and tactics lead to some changes which make Nato's generals more comfortable and more confident, that may also help to allay some of the anxieties of Europe's electorates.

The control of education

CENTRAL control of a nation's educational processes is liable to do more harm than good even when the controlling agency is a democratically elected Government. In a country of any appreciable size there are always differences in educational need from place to place which are prone to be overlooked by central bureaucracy.

The dispersed control preferred in Britain nevertheless strays too far in the opposite direction. The Secretary of State for Education and Science has virtually no power over the spending by the local education authorities of their combined budgets of nearly £10bn, although a good half is provided centrally through the Treasury.

Whatever the gains from sensitivity to local wishes, the result has been a lack of flexibility in other ways. Now that public expenditure is restrained, even more than when budgets were still increasing, education authorities are under pressure from teachers' unions and other interests to spend the available money on conventional activities at the expense of innovations no matter how clearly they are needed. An example is the need to make up severe shortages in schools' capacity to teach subjects such as mathematics through a concentrated effort to retrain teachers whose existing specialisations are surplus to requirements. Another instance is the development of technical and other vocational studies in the schools.

Complicated

In both of those cases ways have been found for the Department of Education and Science to tackle the problem. But to do so it has had to adopt the unnecessarily complicated device of channelling the money for the project concerned through the Manpower Services Commission which does have the power to insist that the funds are spent as required.

To rid itself of this charade the Government is planning legislation empowering the Education Secretary to hold back some of the money which would otherwise form part of the general educational budget and to award it as grants to be spent only on some specified programme. Local authorities interested in the particular programmes laid down could then bid for one of the grants and the Education Secretary would decide which local projects to support.

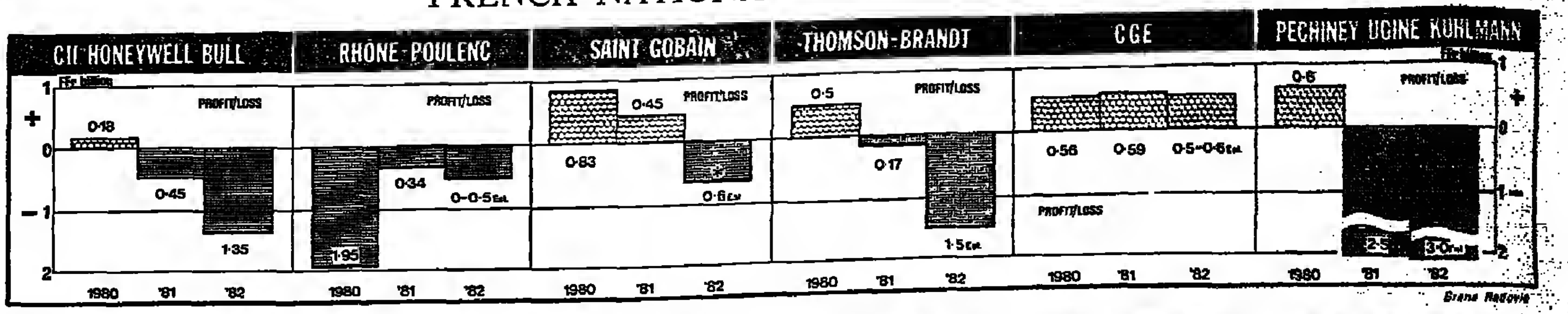
The initial response to the proposal has been less than encouraging. Spokesmen for the associations of local authorities have foreshadowed opposition on grounds that despite the grants' apparent harmlessness they would breach the principle of local autonomy and choice in educational matters and would in any case reduce the money to be shared out among the authorities as a whole. The National Union of Teachers has also criticised the proposal as a means of forcing the local authorities to compete for money which was rightfully theirs in the first place.

Extra funds

But there is still good reason why the Government should press on with its plans. New developments are needed in education, and the principle of local autonomy is already being broken in practice by the award of grants through the Manpower Services Commission. Nor is there any reluctance among the education authorities to bid for the extra funds distributed by the MSC. Moreover, the total sum which the Education Secretary could hold back for allocation in the form of grants would be only 0.5 per cent of the money available for spending by local education authorities: in terms of next year's expenditure, about £47m of an overall budget of £9.4bn.

The proposal also deserves support of the Opposition parties. After all, it was a Labour Education Secretary—Mr Fred Mulley in the mid-1970s—who objected most vociferously to his lack of legal power to accomplish anything educationally useful than the removal of air raid shelters from school playgrounds.

FRENCH NATIONALISED INDUSTRIES



Sector: computers
1982 turnover: FFr 8,130m
Capital investment: FFr 1,100m
Financial charges as per cent of turnover: 9.5
Workforce: 21,850

Sector: chemicals
1982 turnover: FFr 40,000m
Capital investment: FFr 2,200m
Financial charges as per cent of turnover: 6
Workforce: 84,000

Sector: glass/pipes/steel
1982 turnover: FFr 51,000m
Capital investment: FFr 3,500m
Financial charges as per cent of turnover: 3.5 to 4
Workforce: 138,000

Sector: electronics/electrical
1982 turnover: FFr 46,500m
Capital investment: FFr 1,950m†
Financial charges as per cent of turnover: 2.3†
Workforce: 129,000

Sector: electronics/electrical
1982 turnover: FFr 66,000m
Capital investment: FFr 2,400m
Financial charges as per cent of turnover: 0.8
Workforce: 185,700

Sector: metals/chemicals‡
1982 turnover: FFr 39,000m
Capital investment: FFr 3,000m
Financial charges as per cent of turnover: 5.6
Workforce: 86,000

All figures are consolidated. 1982 profit/loss figures are internal company estimates except for CII which has already reported. * After exceptional FFr 800m loss caused by withdrawal from computer business. ‡ Includes chemical activities about to be disposed of to other French companies. † 1981 figures.

Why the state takeover is turning sour

By David Marsh in Paris

"ONE OF the main justifications for the nationalisations is that it was the only means of organising the transfer to the companies of the funds needed to make them internationally competitive," says M Francis Lorentz, managing director of France's struggling state computer company CII Honeywell Bull.

"Because of the company's losses, some kind of intervention was necessary. Otherwise Rhone-Poulenc would have had to sell off part or all of its activities to one of our competitors," says M Jean-Pierre Halbron, finance director of the country's premier chemicals group. "Without capital, you can't invest—it's a vicious circle."

That, at least, is the logic behind France's sweeping state take-over of key industrial companies a year ago. The aim, in the fighting words beloved by M Jean-Pierre Chevenement, the Minister for Research and Industry, is to turn the "crippled fleet" of state-owned companies into a combat force ready to do battle with the rest of the world.

Yet as the dust still swirls around 13 months of restructuring, change and confusion at France's nationalised companies, the Socialists' dream of making the state sector the *fer de lance* of industrial regeneration is starting to turn sour.

The fading hopes, symbolised by the setbacks suffered by the left in this month's municipal elections, coincide with serious problems in France's overall economic policies and widespread speculation in Paris over an imminent Government reshuffle.

The star of the energetic M Chevenement, which has been constantly emitting brightly flashing rallying calls for "dynamism" and "mobilisation" since he moved into the job last June, now looks in danger of burning itself out.

The idea behind taking over the helm of France's industrial flagships—which in many (but not all) cases indeed were foundering as the result of under-investment and indecisive leadership—was to streamline decision-making and channel resources into areas promoting France's national interest.

So far, it hasn't worked out like that. Contradictory government directives and competition among ministries jostling for influence are holding up strategic planning.

The much worse than expected financial results of the companies themselves are, in spite of greatly increased largesse from the Government, placing growing constraints on investment.

And the nationalisations have probably proved a political millstone too. A recent opinion poll (admittedly carried out by a right-wing newspaper) indicated that 60 per cent of the populace thought the takeovers served no useful purpose.

The state companies, rather like the Government itself, are labouring under a bewildering proliferation of economic and social objectives. They have been reassured — repeatedly and with growing implausibility — that they enjoy "total management autonomy." But they have been told simultaneously, and in no particular order, to support employment, promote technological change, safeguard declining industries, protect the balance of payments, improve working conditions — and, of course, M Chevenement underlines, make a profit too.

Pressure is growing for the Government to adopt a more hands-off approach to running the industrial machine. As part of a general move towards more economic belt-tightening which seems probable in the coming months, this would involve a pruning of the nationalised industries' planning goals, with less emphasis on expansion and more on efficiency.

In a country where state intervention is deeply entrenched, and where the President himself is keenly committed to technological restructuring, expecting the French to leave the running of industry to the managers is like asking Mrs Margaret Thatcher to leave the control of the money supply to the Governor of the Bank of England.

But the chairmen chosen last year by the Government to head the state companies themselves appealed to President Mitterrand two months ago to cut interference.

As an example of the companies' scepticism about the Government's all-embracing plans, a top executive in a nationalised electronics company complains (in private) that the policy of across-the-board investment in electronics is "mad" and will have to be changed.

Opposition also comes from the "realist" section of the Government camped around M Jacques Delors, the Finance Minister, who is reorganising the nationalised banking system with a studied moderation which infuriates radicals in the Socialist party. Contrasting the two styles, an official who shares M Delors' views lambasts the tampering by M Chevenement's ministry: "They are playing at Meccano every day. It is carzy."

The Government always warned that re-equipping the industrial fleet would be a long haul. But it has been taken aback at the complexity of carrying out wholesale industrial restructuring at a time of prolonged international recession, financial austerity and sharpened world-wide competition.

It is not always the Government's fault. But attempts to organise effective responses to international competitors in fast-growing areas like electronics—for instance, the now-aborted plans for state-owned Thomson-Brandt's takeover of West Germany's Grundig—look lumbering and ineffective.

On both the strategic and the financial sides, the horizon of success has receded alarmingly. A number of heavily loss-making sectors, not only traditional suffers like steel but also "future-oriented" companies like Thomson and CII-HB, do not expect to return to financial health before 1986 at the earliest.

The men sitting in the companies' driving seats are certainly not starry-eyed Socialist stereotypes. The Government can trawl for administrative talent in the deep pool of France's uniquely integrated finance/industry/civil service system, ensuring a continuity in the transition to state control which simply would not exist in other countries.

M Halbron, for instance, is the 46-year-old former chairman of the financial holding company of banker Edmond de Rothschild.

M Lorentz is a diminutive and dynamic 40-year-old with a successful career behind him as assistant managing director at the private sector water company Lyonnaise des Eaux and as a top civil servant in the French Treasury (helping to organise industrial intervention) under the Giscard Government.

Most of the chairmen of the nationalised industries and banks are men of proven stature who were equally (or more) at home in their jobs under the Giscard regime.

All the same, three key areas of weakness have opened up:

● Money. The 11 major companies under the control of M Chevenement's ministry (including not only the newly-nationalised concerns but also long-standing state companies like Renault) chalked up losses of about FFr 15bn last year.

With the economic climate in France likely to get worse, if anything, in 1983, no significant improvement is expected this year.

When the companies were taken over in February last year, their financial needs over five years were put at FFr 30bn. The figure has now expanded to more than FFr 50bn over three years, coming partly from the budget and partly from other sources.

M Lorentz says: "Conditions for financing companies in France are absurd. Self-financing is low by international standards; the equity market hardly exists; industry interest rates are high; and the tax and social security system penalises the corporate sector. The Government's willingness to channel funds to industry marks a change of attitude — a revolution in France."

However, behind the figures, the reality is more complicated. Depriving the state companies of access to shareholder funds now looks a costly mistake. To plug the financing gap, one year after deciding lavish compensation terms for dispossessed shareholders, the Government has been driven to invent new forms of non-voting fund-raising instruments by which the more profitable nationalised companies can again raise funds on the bourse.

All the companies — weak and strong — are bound together by the need to work out overall plans for nationalised industry financing. With the bulk of government money going to plug losses in steel and chemicals, better-off concerns like Compagnie Generale d'Electricite and Saint Gobain are effectively being deprived of necessary capital.

● Meddling. M Jean-Pierre Brunet, the urban ex-diplomat who heads CGE, says: "It's a cliche, but in France government intervention in industry is an old tradition. Sometimes it's good, sometimes bad, sometimes it's excellent, sometimes stupid."

All the same, time-wasting interference and ministerial in-fighting has certainly increased since the Socialists took over.

The planned restructuring of the telephones industry, involving the absorption of a former ITT subsidiary by either Thomson or CGE, has been held up for months by a dispute between the Industry and Post ministeries. A massive and long overdue shake up in chemicals, announced with a flourish last November, has not been put into effect yet because of a shortage of government money.

CGE's takeover of a French electrical concern, Compagnie Electro-Mecanique, formerly owned by Brown Boveri of Switzerland, was held up for more than six months through M Chevenement's opposition. Thomson is at the centre of a complicated dispute involving the Industry and Health ministries and the unions over a planned link in medical radiology with Technicare, a subsidiary of Johnson and Johnson, the U.S. pharmaceutical giant.

M Lorentz of CII-HB—which has been the focus of numerous tortuous twists in previous governmnets' policies on computers—comments that President Mitterrand's declaration a month ago on the need to reduce bureaucracy was a positive sign.

● Management. Even officials close to M Chevenement admit that, now they are under state control, some companies spend more time trying to tap government funds than to make productivity improvements.

Worker representatives brought on to the companies' boards under plans to "democratise" the public sector are widely thought an obstacle to pushing through unpopular rationalisation plans.

An unusually frank assessment of the conflicts of running a nationalised industry is given by M Jacques Mayoux, the former head of the Sacilor steel company (which was nationalised in all but name by the Giscard Government in 1978), and who is now chairman of Societe Generale, the third largest state-owned bank.

In overall macro-economic policy, he says, "the Government has made some very substantial modifications." But in the nationalised industries, "there is still some cleaning up to be done. That means factory closures, redundancies—situations which are very difficult and dramatic. There are some closures which the Government is carrying out quietly—in chemicals, in steel. But there isn't enough in-depth restructuring, that's the problem."

"When M Chevenement says: 'I'm putting money into steel, we wouldn't be in our present position if more had been invested in the past,' that's rubbish," says M Mayoux. "The French steel industry has spent at least as much as in other countries—spent here, there and everywhere. But it has been in the wrong directions."

Men & Matters

Account end

Russell Palmer, the youngest man ever to head one of the "Big Eight" accounting firms, is moving over from Touche Ross to become Dean of the Wharton Business School this summer. Still only 48, Palmer says that he had often thought of entering academia on a full time basis after completing his business career, and "the Wharton School is where I wanted to be."

In his recent book, "The Big Eight," Mark Stevens described Palmer as a classic example of the young man who enters a large organisation, finds a high-ranking sponsor, and is rapidly propelled through the ranks over the bodies of his former superiors.

Brought up in very modest circumstances, the image Palmer projected when he became managing partner and chief executive at the age of 37 was one of polished self-confidence—a super salesman who has never fitted the mould of a crusty number cruncher.

Touche Ross has been shaped in that image and although there have been some bumps along the way—the merger with J. K. Lasser in the late 1970s left a number of bruised egos—Palmer has become something of a senior statesman in the international accounting profession.

The firm's by-laws put a 10-year term on his role as chief executive of the organisation which now has 22,000 professionals in 85 countries around the world.

Troubled waters

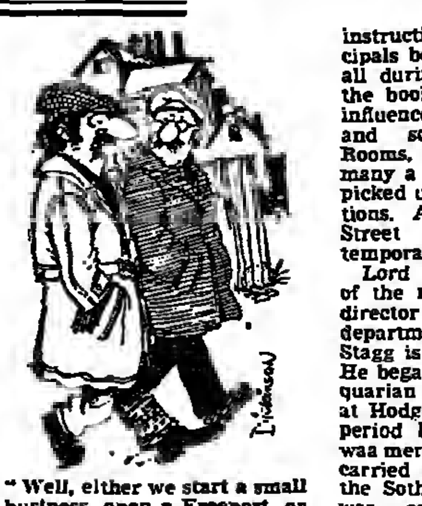
Perhaps only to be expected after recent reverses — but oilmen this week found water pouring over their troubled industry.

Visitors to the third Middle East oil show in Bahrain had to take off their shoes and paddle round the 40 stands on Tuesday after the biggest March deluge ever recorded.

For reasons best known to the Danish architect of the $12m Bahrain Central Market, which now doubles as an exhibition centre, the three interlinked buildings have their roofs pitched inwards.

After 26.8 mm of rain had fallen, a seam under one of the gullys suddenly gave way and water cascaded with a roar down the whole length of the exhibition hall. And pressure in the drains beneath the floor lifted a manhole cover.

Much of the oil industry hardware, fortunately, proved to be fully waterproof, though several $100,000-worth of electronic equipment was still being dried out yesterday, and one computer company was considering offering bilge pumps as optional extras.



"Well, either we start a small business, open a Freeport, or you win the Men's Singles at Wimbledon"

City sports

Cannons, the City of London sporting club which opened underneath the arches of Cannon Street station two years ago, is to get a new owner—Singapore businessman Jack Chia.

He already operates a sports complex in Singapore and is building another in Melbourne. He is putting up £500,000 working capital for Cannons as well as paying a small sum for the club's share and loan capital.

The club was set up with the backing of a number of City institutions keen to provide an outlet for their employee's energies. But it has not been without its problems.

Construction work cost more than expected and left Cannons short of funds for day-to-day operations and to carry out further expansion.

Employees of the backing institutions get free membership. Other squash, swimming and snooker enthusiasts have to pay up to £345 a year for full membership.

Roger Massey, managing director, says his rates compare well with other London clubs. But only about 20 per cent of his members actually pay for themselves. The majority enjoy either company sponsorship or free membership.

The institutional backers are keen to see Cannons stay in business as long as they do not have to increase their financial backing.

Now it is up to Chia to provide the funds for exotic new ventures—including, I am told, an aerobic gym.

Into print

London is about to witness a most welcome attempt by three veterans of the book world to conduct regular auction sales of books and manuscripts that fall into the category of "desirable" rather than "expensive."

Bloomsbury Book Auctions, headquarters in Bedford Square, wants to provide a new market place for medium-priced books — by which they mean anything under about £500.

It is interesting and probably instructive that the three principals behind this venture were all during their early years in the book trade involved in, or influenced by, the much-loved and sorely-missed Hodgsons Rooms, Chancery Lane, where many a rare bargain was to be picked up at the afternoon auctions. And where many a Fleet Street review copy found a temporary home.

Lord John Kerr is chairman of the new company. He was director of Sotheby's book department for 18 years. David Stagg is the managing director. He began his career in the antiquarian book world and worked at Hodgsons Rooms during the period before closure when it was merged with Sotheby's. He carried on as auctioneer when the Sotheby's book department was consolidated in Bond Street.

Frank Herrmann, who will be in charge of finance and marketing in the new company, is a writer who has concentrated on the history of collecting and the art market.

The initial target for the fortnightly auctions will be 350 lots at each sale. Lord John tells me he expects the most popular portions of his lists to be science and medicine, travel books, maps, and academic collections.

FT gospel

It is well known that the FT's gospel spreads through many lands.

Even so a reader was surprised last week when, on a visit to Canterbury cathedral, he heard a voice over the public address system saying that for test purposes an extract would be read from the Financial Times.

As an economic report, sombre and severe in tone, resounded about the nave there was no visible reaction from the tomb of the Black Prince, doubtless he had heard it all before . . .

Observer

ECONOMIC VIEWPOINT

Fairly harmless but insipid

By Samuel Brittan

AS MOST discretionary acts of government reduce the welfare of the human race, a Budget that is relatively harmless perhaps should bring a sigh of relief. By the *standards of the* huge errors of the past, such as the highly inflationary attempts of Governments to spend the nation into prosperity in the first half of the 1970s, or even the failure to counteract the unexpectedly severe recession of 1982, the Budget appears innocent enough.

The proposed borrowing requirement for the coming financial year is *slightly* above the estimated outurn for 1982-1983, but below what was originally planned. We are now, however, in a period when the risk of overshoot is greater than that of undershoot. The contingency reserve for public expenditure for 1983-84 was only £1.5bn and after the latest pork barrel public expenditure increases, will be down to *£1.1bn*. With public authorities becoming used to cash planning, underspending is less likely. Nor is there likely to be a bonus on the expenditure side from below-forecast inflation. The *inflation forecast* of 6 per cent is well in the middle of any realistic range.

Why am I not cheering from the housetops?

Any fall in the oil price will also increase the PSBR. One of the more conservative estimates is that each $1 per barrel cut in the oil price reduces revenue by £250m. A reduction of about 3 to 4 cents in the sterling-dollar exchange rate would be required to compensate. But a fully offsetting reduction is neither likely not desirable, when we are starting with the pound at *little over $1.50*.

The monetary growth targets of 7 to 11 per cent for three different aggregates accord with the predicted 8 per cent growth in the nominal national income (Money GDP) provided that velocity continues to fall slightly. This would be likely if interest rates and inflation were to fall, but at least a *temporary* upward surge is officially expected in inflation; and *the possible effects* of the oil market on sterling, together with the effects of the huge U.S. budget deficit on world interest rates, should make one *very cautious on the interest* rate front. Velocity is as likely *to rise as to fall further*.

PSBR*

	£bn
1982-83 original estimate ...	9.5
1982-83 latest estimate ...	7.5
1983-84 forecast ...	8.2
1983-84 with oil at $20 per barrel ...	10.7

* Public Sector Borrowing Requirement.

If one takes together the *likely* sources of error and deviation, policy is likely to be more *stimulative* than officially proclaimed. Money GDP may *well rise over the* next couple of years by something nearer the 10 per cent annual rate projected in the 1982 Red Book than the 8 per cent forecast today. As I thought that 1982 projections were appropriate to a period of single-digit inflation and improved productivity, and believed the subsequent turn of events too deflationary, why am I not cheering from the housetops?

In the first place, because the detailed composition of the Budget matters. Much of the Budget speech was taken up with glorying over the handouts to various fashionable industrial pressure groups. It could have been written by Mr Patrick Jenkin's speech writers (perhaps it was). At *any rate* the very next *day* the Industry Secretary was expatiating on the "Small Engineering Firm Investment Scheme (2)," the "Innovation-linked Investment Scheme" "market innovative *software products*" and the "Cadcan awareness" programme.

President Mitterrand's ministers and Mr Peter Walker in his former glory as a high spending Industry Secretary could hardly have done better. Nor could Sir Harold Wilson have done more than Sir Geoffrey Howe to emphasise rather heavily that these taxpayers' handouts will benefit the West Midlands, an area famous for its marginal constituencies.

Still more perverse has been the raising of the tax thresholds on mortgages. This is no minor matter, but a resounding defeat for the Treasury which had been hoping that this distortion in the savings and investment markets would be allowed to wither *away*. The *raising* of the threshold has many major *repercussions*. *Interest rates will* be higher and business investment *lower as a result*. *Simon* and Coates have revised upwards by *half* a per cent their base rates forecast as a result.

It is not even certain that the aim of encouraging home ownership will be achieved. A large part of the initial effect will be to raise house prices and another part will be to encourage people to take out mortgages to finance ordinary consumption. The Prime Minister has conveniently overlooked all that classical liberal thinkers have written about the indirect, unexpected and long-term effects of well-intended political action.

But even if we concentrate on the Treasury's own part of the Budget a lack of imagination appears. Last autumn, when the trade-weighted sterling average was touching a ridiculously high level of 93 there were strong arguments for abolishing the employers' national insurance surcharge (NIS).

The subsequent drop in sterling to 79 has given a far greater relief to industrial costs and international competitiveness than any NIS change could possibly have given. The priority should have shifted to reducing the unemployment and poverty traps and improving work incentives by raising the tax starting point and child benefits. But the rise here has been modest, far less than suggested by Prof Patrick Minford (who no one has dared to call a "wet") in his unemployment report.

Expatiating on industrial aid schemes

CHANGES IN EXPENDITURE

£bn at 1975 prices, annual rate

	Basic home demand (1)	Stocks (2)	Exports (3)	Final expenditure (4)	Imports (5)	Real GDP (6)
1981 to 1982	+2.65	−0.7	+0.2	+3.15	+1.65	+0.7
1982 to 1983	+3.5	+0.3	+0.3	+4.1	+1.85	+2.0
1983 (first half) to 1984 (first half)	+2.8	+0.5	+1.6	+4.9	+1.9	+2.7

Source: Financial Statement.

Unfortunately the half per cent further reduction in NIS, inserted to please the Industry Department and the CBI, reduced the amount available for dealing with the poverty trap. Heaven knows when the next opportunity to do so will occur.

What of the macro-economic *strategy? The best that can* be said is that the risks of it being over-expansionary roughly outweigh the risks of it being too restrictive. But this is not really enough when the risk of lurches in either direction—or perhaps first in one, then the other—are *quite high*.

The main object of financial policy should be to introduce as much predictability as possible into the Government's own actions, so that public policy should not be a further source of instability in a changing world. The financial strategy still does not achieve this. Its biggest lacuna is the absence of guidance on the Government's attitude to exchange rate movements.

Close reading of the Budget speech and further *inquiries* reveal a hint of an attitude. A devaluation which occurs in the market may be acceptable, but not one which occurs through monetary and fiscal laxity. There is a certain amount of metaphysics here, for when an exporter looks at the magic screen on which exchange rates are displayed, he does not know whether a fall in sterling is a benign market movement or a perverse policy effect.

How indeed will the Government *itself know* whether monetary policy is tighter or laxer *than intended*? *If* it believed the monetary aggregates and *knew* how to combine the different measures of money, when they moved in different directions, it would have some sort of answer. But in the past the Government has, quite rightly, *disregarded* the *aggregates* when they seem to be giving misleading results, and in the current Red Book it is reiterated that the movement of sterling will be one of the factors taken into account in judging the tightness or otherwise of monetary policy.

But we already know that monetary policy is taken into account in considering the appropriateness of exchange rate movements. There is more than a hint of circularity here; and it would be a useful intellectual exercise to try to put the logic of the financial strategy into mathematically determinate form. This would not give copybook rules, but might at least clarify analysis.

The missing guidance on the exchange rate is most important practically. The larger table shows the movement of expenditure in the recent past and projected into the future by the Treasury. It is expressed in "real terms" rather than in cash, with an inflation-volume breakdown, as I would have preferred. But it is a good deal better than nothing.

The first column does not appear in the Red Book, but *has been extracted from* the figures. As shown, home market expenditure on *goods* and services does not vary very much in the range of plus £2¼ to £3½bn per annum. When stocks and exports are added to "basic home demand" we have in column 4, 'final expenditure." If imports are deducted from final expenditure, and various statistical adjustments made, we are left with "Real GDP." As this is about £107bn in 1975 prices, the movements of the actual numbers given in column 6 of the table are approximately the same as the percentage changes.

Leakages into *imports* keep the growth of GDP below the growth of *final expenditure*. But the import leakage is in fact expected to be fairly stable —thanks in part to the forecast assumption that the recent sterling devaluation is held.

The big sources of fluctuation are stocks and exports. There is little to be done *directly* about stock changes, as they are *parasitical* on *movements* of basic demand, and perhaps interest rates and *credit* availability. The big independent source of variation is exports. The expected improvement owes much to the hoped for recovery in world trade but it would also be much more difficult to achieve if sterling were to "recover."

A major movement in sterling in *either direction would* be undesirable. Because importers have absorbed much of the past devaluation in their *profit margins*, and *because* wages were not adjusted to the earlier high *exchange rate*, the devaluation so far has had a modest effect on UK prices. But we are now moving into a *region* where import prices will rise as sterling falls, and where the *growth of profits will* tempt the two sides of industry to edge wage owords *upwards*, not immediately but after a few months' lag.

The big sources of fluctuation are stocks and exports

An upward rebound in sterling would be devastating to output and employment; a major downward lurch would be highly inflationary and *destroy* most of the *hard-earned* rewards of seven years of fiscal and monetory *retrenchment* from 1976 onwards.

There are many ways of expressing an exchange rate policy. Intervention, which suppresses symptoms and postpones problems, is not one of them. A better alternative would be to put the exchange rate explicitly into the Financial Strategy. Another would be an "override" to the monetary targets warning that they will be *undershot* or *overshot* if sterling moves outside certain *limits*. *On the exact language* there can be much argument; but there *is little to be said* for the present attitude of Delphic *silence*.

Lombard

Debt, equity and tax largesse

By John Plender

AS BANKERS around the world struggle with a seemingly endless debt crisis, an old-fashioned observer might be tempted to *conclude* that the habit of equity financing has become unduly neglected in recent years.

Equity, after all, is risk capital with an in-built *safety valve*. The text book assumption is that in exchange for *accepting* the risks inherent in ownership, the rewards on the investment are potentially unlimited; yet the income return *is not fixed in* advance and reflects the capacity of the business to pay. On the face of it, an attractive way to *finance long-term* capital assets in an uncertain world—and one which would not have *given* rise to anything like the current problems of debt *servicing* at high rates of interest.

Constraints

The textbook is one thing, reality another. Ownership of assets in a foreign country nowadays confers a right to less and less certain economic benefit. The asset itself may, in extremis, be subject to expropriation, while the income flow can be interrupted by exchange controls and other constraints. There is more protection in cross-default clauses on debt than in investment protection arrangements for direct or portfolio investment.

As for domestic equity financing, it has been relatively unattractive in recent years, partly because share prices have been depressed in *real terms*. Many companies have been unable to *raise capital* without excessive dilution of existing equity.

Blurred

Bank debt, meantime, has increasingly taken on the characteristics of equity. Non-recourse financing of big capital projects, for example, directly relates debt service to income *flows*: no *income*, no bank interest. Floating rates are now the *norm*. And the debt-equity demarcation line is becoming more *subtly blurred in* the present crisis, as returns on much international *lending* look increasingly insecure.

In the questionable belief that increased interest can compensate for increased risk, *bankers are widening* their spreads and piling on management *fees for loans to troubeld* clients, in order to rebuild their capital base. Yet these apparent increased returns are, as often as not, only payable in the short run out of fresh borrowings.

The chances of the banks *actually receiving* the full negotiated interest rates in the long *run* look slender unless the world economy recovers more strongly than many expect. In short, the flow of bank interest on rescheduled debt threatens to become more *discretionary*, like a dividend flow. The banks are taking equity-*type risks*.

The one demarcation line that remains immutable relates to the different tax treatment of equity and debt. In most developed countries interest is tax allowable for approved purposes, while dividends tend to be discriminated against.

Tolerance

Subsidising borrowers in this way naturally gives them a greater tolerance of high interest rates—notably so in the U.S. where loan interest is allowable for tax for virtually any purpose. The result is that the only people who pay the full rate are loss-making U.S. corporations at home, and over-indebted countries and corporations overseas. Interest rates have to go to higher levels to choke off credit. And equity financing is further discouraged.

By helping reduce fears of excessive credit expansion and facilitating a lower interest rate structure, the removal of the tax bias in favour of debt would smooth the path to a more stable recovery. The snags are that no country, in an open international system, can afford to do it unilaterally; and most voters are not aware that this apparent fiscal *largesse* actually hurts them.

Persuading politicians to forgo the *right* to *dispense* tax breaks to an eager electorate is a tough political nut to crack.

Letters to the Editor

Lenders, borrowers and funny or invisible money

From Mrs E. Kasket

Sir,—I sympathise with the *views expressed* by Anthony Harris (March 10) but I sympathise *even more* with lenders who might prefer to receive *funny money rather than* waiting for invisible money.

Index-linked *offers are* acceptable from a borrower of impeccable standing *such as* the British Government when there would be no *doubt* of the eventual capital return which, after all, is the substance of the attraction to the lender.

The problem, however, is to accommodate borrowers who shy at capital repayments, even though these have been depreciated by the inflation of the past few years, and who also find the current 10-12 per cent *interest rates* round the world excessively onerous because of the so-called *real* interest rate burden.

Perhaps, then, the lenders do not think index-linked the *answer when they calculate*, on the basis of an annual inflation rate of, say, 5 per cent, that the extra capital burden to those burdened borrowers would have amounted to just short of 63 per cent by the end of the next decade.

That 163 per cent of capital loaned would fall due to be repaid in money, mere money admittedly, but if problems arise, then what? Recycling? Back to funny money.

(Mrs) E. Kasket.
7, Lymington Road, NW6.

Resources for marketing

From Professor M. Christopher

Sir,—The continuing decline in the manufacturing sector of the economy should give us all cause for alarm. It is theoretic*ally possible* that a nation with a small manufacturing base could remain economically viable but in reality it is highly unlikely.

It is clear that there are many *structural* weaknesses and imbalances still remaining in the *manufacturing sector* of the economy but it is too much to expect that the *situation* will be transformed in any major way by the cathartic experience industry is currently undergoing. The time has come to recognise that the process of slimming *down* and cutting back has become obsessive, *almost a case of* commercial *anorexia nervosa*.

This new stimulus can only come from a major change in policy within organisations themselves. For too long now there *has been a concentration* on improving short-term financial *performance*, *often* brought about by the understandable *desire to keep the* banks and the stock market happy. This short-term thinking has been at the expense of longer-term product and market development. Budgets for R & D and new new product development have declined in absolute terms and what little activity there has been by way of product launches has tended to focus on "me-too" products or cosmetic changes to existing products. It is no coincidence that companies successful in maintaining and improving profits also tend to be most innovative in their product strategy.

The solution to the problem of declining manufacturing activity can only come from a sustained process of product and market development with major corporate resources being committed to the R & D and marketing functions. Various ministerial pronouncements now *suggest that* the Government has recognised the vital importance *of marketing* but *mere* exhortation is not enough. A major national programme of action is required with Government support to improve the quality of our marketing effort. The current campaign to develop the effectiveness of British food marketing is an indication of the positive *steps* that can be taken given the will.

The message is very clear: economic recovery can only come from new products successfully marketed. One thing is for sure, no economy can grow while continually cutting back.

(Professor) Martin Christopher,
Cranfield School of Management,
Cranfield, Bedford.

Regional grants for projects

From Mr R. Musgrave

Sir,—Mr Scholes (March 11) claims that regional grants for projects that would happen anyway are a real cost to the nation, while I claim such expenditure is pure exchequer cost and not a real cost. Empirical evidence and economic theory supports my view, I believe.

As to the evidence, J. D. McCallum in a study of firms in Scotland in 1973 found that 94 per cent would have made losses but for regional employment premiums, i.e. this particular regional subsidy was very largely passed on to the customer in lower prices. Indeed this is just what economic theory would predict; in other words assuming competitive forces are working, any source of reduced costs—new technology, regional grants, etc—will soon get passed on to the customer. Thus Mr Scholes's claim that these apparently excessive regional grants may accrue to employers outside the regions or outside the country is not supported by evidence or theory.

Unfortunately the above distinction between exchequer *costs and real costs* is not widely appreciated. Until it is, I am *sure Mr Scholes's views will prevail* rather than mine!

R. S. Musgrave.
24 Gorden Avenue,
Framwellgate Moor,
Durham.

Modern steel plant

From Mr A. Hutton, MEP.

Sir,—Ravenscraig is one of the most modern steel plants in Europe producing what the market is increasingly demanding.

Your leading article "How to raise steel costs" (March 11) appeared to recycle the increasingly discredited view that if only Ravenscraig had been quietly strangled than this would have made life easier for the rest of the steel industry.

Ravenscraig operates a modern continuous casting process which produces better steel, cheaper than the ingot process. Of the other two strip mills, Llanwern has only the old fashioned ingot process and Port Talbot, the only one of the three by a port, has a 50 per cent concast, 50 per cent ingot process. On equal loading, Ravenscraig can produce better steel £10 a tonne cheaper than Llanwern.

The Scottish plant is already attracting the interest of steel users outside the UK. In addition to supplying the steel for the BL Maestro and Metro and the Ford Escort, Ravenscraig is now selling steel to BMW.

The decision to give Ravenscraig a chance to prove *itself* outside a recession has some thoroughly hard-headed thinking behind it. I can assure you, sir, that the attractions of the decision are not just "short term" or seen only "from a narrow Scottish point of view."

Alasdair Hutton.
7th Floor,
121 St Vincent Street, Glasgow.

A new chance for Argentina

From Mr T. Dalyell, MP.

Sir,—Your interesting leader "A new chance for Argentina" (March 10) looks forward to the time when a Radical Government will negotiate on the Falklands.

Alas, do not let us delude ourselves into the notion that come a civilian Government in Buenos Aires all will be easier. On the contrary, a civilian Government will have its pressure groups, the equivalent of the Falkland Islands committee and its Bernard Braines.

Worse still there will be many members of an Argentine Government and Parliament who would be only too thankful to see the mind of their military establishment focused *on the Malvinas* and not on contemplating a counter-coup *against* an *infant civilian* administration.

If the real welfare and future of those living on the Falkland Islands were our top concern we would start to negotiate about sovereignty tomorrow—which coincides with the real British national interest.

Tam Dalyell.
House of Commons, SW1.

The Chilean model

From Mr M. Benado

Sir,—It was a great relief to learn from your article on the economic situation in Chile (March 9) that you have been converted to a view of the current lack of stability that I suggested last year in a letter to you in August.

The article my previous letter referred to spoke about "the régime's *laisse-faire* economic policies—which had produced so much success in the past." My objection then was that success had never been a feature of the Chilean model. To witness a frenzy of consumerism nowhere goes to show economic good health. The real question, about the source that finances such expenditure, remains unanswered by merely pointing at it. The Chilean junta has thrown a party it cannot afford.

Businessmen should now understand, as bankers have, that their interest in Third World countries are better served by policies that create internal demand. Just to lend to "safe" countries that take no steps to improve the well-being of their citizens is not enough.

M. E. Orellana Benado
Balliol College, Oxford.

FINANCIAL TIMES

Thursday March 17 1983

Nkomo in call for national unity

By Quentin Peel, Africa Editor, in London

MR JOSHUA NKOMO, the veteran Zimbabwean opposition leader who fled the country last week, saying his life was in danger, yesterday appealed for national unity and reconciliation to avert further conflict in the country.

In an interview with the Financial Times at his London hotel Mr Nkomo insisted there was no imminent threat of civil war in Zimbabwe, but warned, none the less, that the younger members of his Zapu party – many of them former guerrillas – were turning away from political action because of the hostility of Mr Robert Mugabe's Government.

"The army is the decisive factor," the Zapu leader said. "It is vital that the young people see that we are working together. Playing tricks in government has not given the young people the chance to feel integrated."

Mr Nkomo said he was determined to return to Zimbabwe as soon as he had been given adequate assurances of his personal safety. He did not intend to ask for the mediation efforts of any third party, such as the British Government, which has given him permission to stay in the country for one week pending further consideration.

"I do not wish to say anything which could inflame things. My idea is to explore those areas where it may be possible to bring about understanding."

Mr Nkomo, who spent years in both exile and detention under the rule of Mr Ian Smith in what was then Rhodesia, fled from his base in Bulawayo to Botswana last week, after accusing Government troops of terrorising the population of Matabeleland province, where his Zapu party is strongest. His home was ransacked by soldiers and his chauffeur shot dead during the operations.

"I did not leave Zimbabwe in order to go outside and organise against Zimbabwe. I left because it was unsafe for me to be around. I could have been killed at any time," he said.

"But people talking about civil war are misrepresenting the situation. I am interested in lessening the tension and bringing about an atmosphere where people can talk and solve the problem of Zimbabwe. It cannot be solved by fighting."

He denied that he had ever had contact with, or been approached by South Africa for support in a military coup, which Mr Mugabe accused him of a year ago. But he agreed that South Africa could have an interest in destabilising Zimbabwe.

Doubts and dreads in the Bulawayo queues, Page 6

Howe might permit borrowing overshoot

BY MAX WILKINSON AND PETER RIDDELL IN LONDON

SIR GEOFFREY HOWE, British Chancellor of the Exchequer, would be prepared to allow an overshoot of his budget target for public borrowing before resorting to a mini-budget in the autumn, it emerged yesterday.

The possibility of an autumn mini budget in response to a further weakening of oil prices was strongly hinted in Sir Geoffrey's speech on Tuesday. He said: "If any further reduction in oil prices seemed likely to compromise the success of our economic strategy, I would be ready to take appropriate corrective action."

However, it appears that Sir Geoffrey had in mind that this would only be a last resort in the face of a serious crisis. This might be precipitated if a plummeting oil price were combined with a fall in the value of the dollar – the currency in which oil is priced. This could hit the UK government's oil revenues two ways at once and might well increase its deficit by several billion pounds.

Sir Geoffrey does not believe such a crisis is likely, since he thinks that the effect of any cut in oil prices on government revenues would be offset to some extent by the benefits of greater economic activity and perhaps by a further depreciation of sterling.

However, several leading City of London analysts said his budget's combination of a £2.24bn tax "give-away" with a very tight borrowing target of £8bn for 1983-84 represented something of a gamble.

On the other hand, the financial market would not be greatly alarmed if further movements in the oil price pushed the borrowing figure over the target limit in the next financial year.

The indications are that Sir Geoffrey would allow a considerable margin of overshoot before reversing his budget tax cuts – with possibly disastrous results for the ruling Conservatives' election strategy.

The view at Westminster was that the budget and ministers' associated remarks have left the timing of the election wide open. The Chancellor had no intention of favouring either an earlier or later date, though the tax cuts will start working through from mid-May onwards.

Opinion among Tory MPs is hardening in favour of this October, or later, with a weakening of support for a June date. It must be held by May 1984 at the latest.

Renewing the Labour Party's call for more substantial tax cuts and a sharp reduction in interest rates in the House of Commons yesterday, Mr Peter Shore, the Shadow Chancellor, dismissed the limited stimulus provided by the budget as "almost irrelevant to the real problems of our economy."

He calculated that in terms of the gross domestic product the "tinkering" announced by the Chancellor would provide a stimulus of 0.6 or 0.7 of 1 per cent.

In a flurry of activity yesterday morning, the market for Government securities bought out the supply of the new 10½ per cent tap stock.

Economic viewpoint, Page 21; What the analysts say; Wages figures, Page 8

Moscow ready to reopen aid link for Pakistan steel plant

BY JOHN ELLIOTT IN KARACHI

THE SOVIET Union has agreed to consider providing financial and technical support for private-sector companies in Pakistan to develop three steel projects estimated to cost about $350m.

This is believed to be the first big offer of Russian assistance since relations between the two countries were soured by the Soviet invasion of Afghanistan.

The offer, which comes at a time when Pakistan is running short of international aid, emerged yesterday in talks between Mr B. V. Bakin, Soviet Minister for Maintenance and Heavy Construction, and Maj Gen Saeed Qadir, Pakistan's Minister for Production.

Mr Bakin is in Pakistan for the official opening today by the Finance Minister, Mr Ghulam Ishaq Khan, of a billet mill and steel converter plant at the $2.5bn Pipri steelworks, which is being built with Soviet designs and financial aid.

The Soviet and Pakistani ministers agreed to speed up completion of the main Pipri steelworks so that it can produce its full annual quota of 1.1m tonnes of finished steel by the end of next year, 18 months early. They deferred consideration of a further project to double the mill's capacity.

Mr Bakin said following two hours of talks yesterday: "We have come here to agree further to strengthen our economic co-operation and to render assistance to the people of Pakistan with the further industrialisation of their country."

Specific suggestions for projects would "come from the Pakistan side and be evaluated by our experts," he said.

General Qadir added that the Pakistan Government had explained to Mr Bakin that the Government would not be carrying out the projects itself, but would encourage private-sector companies to contact Russian businesses and authorities about possible link-ups. The projects are a $180m tinplate plant, a large-diameter pipe factory, and a wire rod plant.

The Pakistan Government is anxious to develop these and other projects to use the Pipri mill's steel, which is expected to be heavily subsidised so that its products can be sold at the same price as imported steel.

But the Government has pledged itself to reverse the industrial policies of the previous Bhutto administration and not to start any further major capital projects in the public sector.

Now it is having problems in persuading private-sector companies to push ahead with the steel schemes, although proposals are being prepared by three companies, including Facto of Karachi. Facto is already building a tractor plant in Pakistan in partnership with the Russian Belarus group, the Fauji armed services charity foundation, and three other companies called Latif, National Tinplate, and Crescent.

The possibility of Soviet financial aid raises the prospect of Pakistan obtaining extra financial support in addition to the development aid provided by other major industrialised countries, which operate as the Aid to Pakistan Consortium of Countries. The timing of yesterday's meeting, though almost certainly coincidental, is significant because the consortium countries – including the U.S. – meet next month to review their aid commitments. Since the invasion of Afghanistan, the U.S. has become the major donor of aid to Pakistan, with a $3.2bn arms and economic assistance package.

There have been suggestions in Pakistan during the past few weeks that Middle East countries, which also operate outside the consortium, may help to finance some of the steel projects, though no official meetings have taken place.

The chief advantage to the Russians of offering aid is that they are seen to be trying to rebuild relationships with Pakistan, despite tensions over Afghanistan. In addition, their industrial image internationally would be improved if the Pipri steelworks, which is widely regarded in Pakistan as an expensive liability, were to gain enough domestic customers to become viable economically.

Deutsche Babcock may omit payout

By Jonathan Carr in Bonn

DEUTSCHE BABCOCK, the West German power station and mechanical engineering group, may have to omit a dividend for the second consecutive year despite a strong boost in orders and sales in the first five months, to end-February.

The company says it has now covered all the losses – amounting to nearly DM 1bn ($418m) – arising from major contracts in the Middle East over the last few years.

Problems arising from these contracts meant that Deutsche Babcock recorded a loss of DM 389m in the financial year to last September 30 and is dropping its dividend for the first time in 33 years.

Dr Hans Ewaldsen, chairman, also noted that the company, which is more than 25 per cent owned by Iran, is proposing a capital increase of DM 100m to shareholders next month.

Dr Ewaldsen was unable to say whether a dividend payment could be resumed for 1982-83. In 1980-81, the company paid a 9 per cent dividend on net profits up from DM 24m to DM 33m.

Deutsche Babcock would have been in a buoyant mood were it not for the shadow cast by the dismal Middle East business.

Incoming orders in the first five months were up by 14 per cent to DM 3.1bn and sales rose by nearly one third to DM 2bn. The company expects turnover for the 1982-83 full year to be about DM 8.5bn, or 30 per cent higher than in 1981-82.

Sales last year were up by 13.9 per cent to DM 6.3bn, of which about 56 per cent went abroad compared with 80 per cent in 1980-81. Foreign orders were slightly down, reflecting both lower demand and the care with which Deutsche Babcock is scrutinising its overseas commitments.

In 1981-82 only 11 per cent of orders involved "major projects" (worth more than DM 100m each) compared with nearly 40 per cent three years earlier.

The major Middle East losses came from power station projects – in Kuwait and Saudi Arabia, and a huge building order from Libya, involving hospitals and sports installations. Many local problems were involved, including non-delivery by sub-contractors, but Deutsche Babcock readily admits that its own management was also at fault.

IMF backs Peru loan request

By Peter Montagnon in London

PERU has gained the support of the International Monetary Fund (IMF) for the $880m loan it has requested from commercial banks, to help it cover foreign borrowing needs for 1983.

Mr William Dale, the IMF's deputy managing director, has cabled all the country's 265 creditor banks urging them to support the loan, for which final terms were agreed in New York on Tuesday. It is to bear a margin of 2¼ per cent over London Eurodollar rates or 2 per cent over U.S. prime rates for eight years, with repayments starting after a grace period of three years.

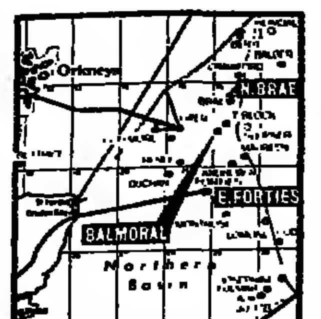
An advisory committee of 10 leading creditor banks chaired by Citibank has moved very quickly to agree the terms of the loan, which was requested only about two weeks ago. Although the package is similar to a rescheduling – Peru's case is much more straightforward than that of the worst-off Latin American debtors – bankers believe that without the general debt crisis, Peru could have continued borrowing normally this year.

Part of the $880m loan, amounting to $430m, is designed to refinance debt maturing between now and March next year. The remaining $450m constitutes new money.

THE LEX COLUMN

Grasping nettles at T & N

Tuesday's UK budget had been so comprehensively leaked that there was very little for the markets to chew on yesterday morning. Gilt-edged ran into light selling as old stock was jettisoned to pay for the new tap, which sold out immediately at a premium of a pound. The Bank of England, whose dealing rates had been frozen until Tuesday's base rate move, rejoiced in its new-found freedom by dropping the band four rate by ½ point.



Turner & Newall

It is a sign of the greater confidence at Turner & Newall that the group was prepared to load all the bad news in sight into its preliminary figures, and then sign off with a resolutely pessimistic trading forecast.

Since its interim figures, T & N has seen the arrival of a new chairman, the restoration of a tenable balance sheet through the sale of Philip A. Hunt in the U.S. and the extension of fresh, even if provisional, support from its bankers. Yesterday the market was prepared to shrug off a monumental attributable loss of £71.8m for 1982 and the shares rose 3p to 33p.

Substantial working capital reductions in the second half limited the overall operating cash outflow to £2m last year and the balance sheet, post-Hunt, sports debt amounting to 30 per cent of net worth. The ratio would be a few points higher but for the deconsolidation of the Zimbabwe mining operation, over which the group has effectively no management control.

Barring the unforeseeable, T & N looks out of immediate danger. Provisions against asbestos claims are levelling off at around 1 per cent of sales, while the move towards asbestos-free products is inching ahead. Further cuts in stock and a capital spending budget which has been chopped from £31m in 1982 to £10m this year will for the time being obviate the need for forced disposals. That may keep the bankers happy but the company is still a long way from attracting anything but the most marginal investment interest.

BTR

BTR is still winning most of its battles with the recession, cutting its way through to an 18 per cent gain in pre-tax profits to £106.7m for 1982 while despatching group casualties below the line for extraordinary treatment. The latest write-offs before tax relief include £4m for a weak South African subsidiary and £5m for assorted relocations and redundancies, most of them in the UK.

Serck's UK operations have been swiftly decentralised, removing about 20 senior managers and some £½m of overheads. Sales here have remained flat at £100m – only £25m were consolidated into the group's 1981 results – but BTR's customary disrespect for poor margins has led to a 10 to 15 per cent cut in the workforce plus some product rationalisation and the integration of Serck's valve manufacturing into the group's Worcester Valves subsidiary, all adding up to an £11½m contribution to pre-tax profits.

It has been a similar story for the group as a whole throughout Europe, with flat sales but improved margins. The UK workforce (without Serck) has shrunk another 3,000 to 10,000 – a 45 per cent concentration since 1979.

With a bleak outlook for group orders, and its South African and Australian markets also now succumbing to the recession, BTR is intent on finding another acquisition in the U.S. where dollar profits have risen about 10 per cent despite a 5 per cent fall in dollar sales. Without such a move, pre-tax profits for 1983 might gain less than 20 per cent to about £125m. The shares rose 18p to 458p yesterday, where they yield 3.2 per cent.

Rowntree Mackintosh

With pre-tax profits up 27 per cent to £50.5m for the year to January, Rowntree Mackintosh seems firmly back on a growth trend after its ignominious nosedive in 1979-80. Admittedly almost half of last year's advance was due to lower interest payments, helped in part by the £42m of shareholders' cash raised in 1981, but trading profits also moved ahead by 12 per cent, even without the six-month contribution from the newly acquired Riley's Potato Crisps.

Rowntree's progress is being helped by a buoyant, if fiercely competitive, UK market. With price increases of less than 3 per cent, confectionery volume has grown by about the same amount and, while market share has dropped slightly, productivity gains have kept trading margins steady.

Overseas, the picture remains patchy, with exports strong, but Europe still only breaking even. While the shares, up 4p to a 12-month high of 244p last night, now stand on a fully-taxed multiple of around 12.5 on prospective profits of £56m, the steady re-rating has still not eradicated doubts about the long-running effort to foist Rowntree brands on continental European palates. And given the European saga, the group still has a lot of convincing to do over its future expansion plans – now slotting into place with a balance sheet showing net cash at the year-end and well capable of a takeover in the £100m class.

Thomas Tilling

Thomas Tilling has taken every opportunity in its preliminary statement to isolate the catastrophic energy equipment division from the rest of the group. The presentation of segmental information has been changed to accommodate the problem and separate figures, excluding energy, are available.

On the face of it, this is fair enough. The £41m swing into loss in this area more than accounts for the overall downturn from £73.8m to £43.7m pre-tax during 1982. But Tilling's results in the previous three years would have looked even more scrappy but for the explosive growth of the energy division and even last year, when gilt-edged profits and new acquisitions are excluded, there is not much evidence of strong organic growth.

Tilling has prepared the ground for the current year by making extensive provisions for stock losses and currency translation, which cost £3.6m pre-tax last year, may be more favourable in 1983. But yesterday's 12p fall in the share price to 135p has already undone much of this year's outperformance and, on a recovery to £70m pre-tax this year, the fully-taxed multiple still stands at over 11 times.

U.S. banks bend to overseas loan rules

BY PAUL TAYLOR IN NEW YORK

U.S. BANKS appear to be learning to live with, if not love, tighter Securities and Exchange Commissions (SEC) reporting requirements on their overseas loan exposure.

Amid the latest flurry of annual reports to emerge from the major U.S. banks are further insights into loan exposure to some of the troubled less developed countries (LDCs).

Nevertheless, despite further refinements in the SEC rules covering disclosure, there are still some sharp differences in the way U.S. banks are seeking to present information about troubled overseas loans, and some leading banks still appear reluctant to provide comparative figures.

Citicorp, the largest U.S. bank holding company, is sticking to its policy of providing only percentage figures for country exposure and cautioning that the percentage figures have been rounded and therefore should not be used as a precise guide to actual dollar exposure.

Thus Citicorp discloses in its annual report that its exposure to Brazil accounts for 4 per cent of $109bn in total outstandings (loans, interest-bearing deposits with banks, acceptances and other investments); Mexico represents 3 per cent and Argentina 1 per cent.

Like other bank holding companies responding to SEC directives, Citicorp does, however, detail recent negotiations covering debt rescheduling and new loans and other arrangements made to meet short-term liquidity problems.

Also like many of the other major banks, Citicorp noted that these developments "should not ultimately have a material adverse effect on the corporation's financial condition."

Manufacturers Hanover's annual report contains perhaps one of the fullest overseas loan disclosure sections. The bank reveals that its total exposure at the end of last year to Brazil was an unexpectedly high $2.014bn, or about 3.64 per cent of total outstandings, of which, in the case of Brazil, roughly 48 per cent were to the private sector.

Manufacturers Hanover also reveals a $1.73bn exposure to Mexico, $1.23bn to Argentina and $737m to Chile, of which 68 per cent is to the private sector.

Security Pacific, the 10th largest U.S. bank, emerges as expected, with one of the smallest money centre bank exposures to Latin America. The bank has a $525m exposure to Mexico, of which it says about half is to the private sector, $490m to Brazil and $175m to Argentina.

Like several of the other main U.S. banks, Security Pacific also notes that it has classified some of its Mexican private-sector loans as non-performing. In Security Pacific's case it says it has classified some $97m of Mexican private-sector loans as non-performing.

J. P. Morgan, parent holding company of Morgan Guaranty, also notes that its balance of non-performance loans at the end of the year excludes $44m in Argentine public-sector loans, past due interest on which was received in the first ten days of 1983, and $53m of Mexican private-sector loans which were covered by the agreement under which Mexican private-sector borrowers continued to service their obligations by depositing local currency in special Mexican bank deposit accounts.

Morgan, sticking to the letter of the SEC rules which require the disclosure of foreign exposure where it is greater than 7 per cent of total outstandings, says that its combined public and private-sector loans to Brazil totalled $1.152bn at the year end, $1.082bn to Mexico, $759m to Argentina and $543m to Venezuela.

First Chicago, which is considerably more exposed overseas than its arch-rival, Continental Illinois, reported that its total foreign loan portfolio was $7.655bn, of which 47 per cent were loans to foreign governments or financial institutions.

● Japanese private banks' outstanding overseas loans totalled $92bn last June 30, Mr Tomomitsu Oba, director general of the Finance Ministry's International Finance Bureau, told Parliament yesterday, reports Reuter from Tokyo.

This consisted of $55bn in loans extended for a year or longer and $37bn in shorter-term loans, he said.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	12	54	Dubrovnik	F	14	57	Malaga	S	20	68	Salzburg	C	9	48
Akrotiri	S	16	61	Faro	S	16	61	Malta	F	11	83	Seoul	C	13	55
Algiers	F	16	61	Florence	R	11	52	Manila	S	35	95	Singapore	S	34	93
Amsterdam	S	9	48	Frankfurt	S	10	50	Mexico	C	23	73	Stockholm	C	3	37
Athens	C	12	54	Funchal	C	17	63	Milan	R	8	46	Strasbourg	C	8	46
Bahrain	S	19	66	Geneva	C	8	46	Moscow	F	5	41	Sydney	R	20	68
Bangkok	S	32	98	Gibraltar	S	17	63	Munich	C	7	45	Taipei	R	19	66
Barcelona	S	17	63	Guernsey	C	8	46	Nairobi	F	28	82	Tangier	S	17	63
Beirut	F	15	59	Helsinki	R	2	36	Naples	R	8	46	Tehran	-	—	—
Belgrade	S	15	59	H. Kong	R	17	63	New Delhi	S	28	82	Tel Aviv	F	15	59
Berlin	C	7	45	Innsbruck	F	11	52	New York	S	20	68	Tenerife	D	21	70
Biarritz	F	12	54	Inverness	C	12	54	Nice	S	12	54	Tokyo	C	11	52
Blackpool	R	8	46	Istanbul	F	7	45	Oporto	S	12	54	Toronto	C	5	41
Bordeaux	C	11	52	Jersey	C	8	48	Oslo	Fg	3	37	Tunis	-	—	—
Brussels	S	10	50	Jo'burg	S	27	81	Paris	S	9	48	Valencia	S	18	64
Budapest	-	—	—	Las Palmas	S	23	73	Prague	S	10	50	Venice	R	8	46
B. Aires	S	26	79	Lima	S	29	84	Reykjavik	R	5	41	Vienna	F	11	52
Cairo	C	17	63	Lisbon	S	15	59	Rio de J'o	C	27	81	Warsaw	S	13	55
Cape Town	S	26	79	Locarno	R	4	39	Rome	R	10	50	Zurich	R	7	45
Caracas	S	32	90	London	C	8	46								
Casablanca	-	—	—	Los Angeles	C	24	75								
Copenhagen	C	6	43	Luxembourg	S	9	48								
Corfu	S	12	54	Madrid	S	13	55								
Dublin	C	12	54	Majorca	S	15	59								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Warning on farm price war with U.S.

Continued from Page 1

beyond budgetary allocations. Mr Tugendhat's "minimal hypothesis" is that at present trends, an extra 1bn European Currency Units – about £620m ($930m) at current rates – will be needed to finance the Common Agriculture Policy this year.

The eventual figure could be "well over" this amount. In the present outlook the need for an extra Ecu 2bn could not be ruled out.

In the event of a major dispute with the U.S. a 5 per cent fall in world prices for dairy produce, cereals, beef and poultry could add about £224m to current budgetary allocations in these areas of about £2.8bn, Mr Tugendhat estimates. A 10 per cent fall could add about £450m and a 20 per cent fall could mean an extra £900m might be needed.

Mr Tugendhat also says that, even on present indications that take into account the coming increase in the EEC's guaranteed domestic farm prices for the next marketing year, the growth in agriculture spending would be "well above" the projected growth in EEC revenue.

"The conclusion I draw from this is that even without further budget problems due to a deterioration in our relations with the U.S., the Commission is going to find it extremely difficult to maintain, in practice, its commitment to the policy that guaranteed expenditure should increase less rapidly than the rate of increase in our own resources."

Mr Tugendhat concludes: "For these reasons I feel we have to be extremely careful in our attitude towards the Americans."

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday March 17 1983

STEERING COMMITTEE TO SEEK RESTRUCTURING FOR CHEMICALS GROUP

Spain's ERT may gain time

BY DAVID WHITE IN MADRID

CREDITORS of Union Explosivos Rio Tinto (ERT), the near-bankrupt Spanish chemical group, are expected to set a further three-month period to discuss differences over the industrial and financial restructuring plan put forward by the company last week.

The plan, which involves what banks see as an effective write-off of part of ERT's $1bn debt, is to be presented to a full meeting of about 125 foreign and Spanish creditors tonight.

Their meeting with ERT's new management under Sr Jose Maria Escondrillas comes just a fortnight before their informal moratorium on debt repayments and their interim discount facilities to ERT expire.

A new sterling committee – possibly divided into two for the foreign and local banks – has to be chosen to renegotiate the plan. The alternative to a unanimous agreement on a plan would be to force the group into liquidation.

The foreign banks, which hold about half the debt, have been the most outspoken critics of the plan, drawn up on the basis of proposals by ERT's advisers, Lehman Brothers of the U.S. The banks are pressing for a more specific commitment by the state, which according to ERT would back up the plan with a total of some Pta 35bn ($267m) in various kinds of aid.

Creditors are also likely to seek a government guarantee for a renewed Pta 10bn commercial paper discount facility.

The plan presented by Sr Escondrillas sets Pta 45bn or almost two-fifths of the outstanding bank debt against the "non-basic" activities, mainly plastics, property and pharmaceuticals, which ERT plans to split off from the main part of the company.

On the remaining Pta 70bn the plan proposed paying no further interest this year and a schedule of interest payments rising from 1 to 3 per cent between 1984 and 1987. Principal repayments on this portion would be progressive from next year, finishing in 1989.

In part compensation, the banks are offered a total 5 per cent stake in the reduced group – an offer which one foreign creditor described as "outrageous." Banks are likely to press for counterbalancing sacrifices on the part of ERT's present shareholders.

Any participation by foreign banks in a new capital structure would require special dispensation from rules which prohibit them from taking equity holdings.

Another part of the plan which foreign bankers consider unacceptable is the proposed freezing of the rate used for the peseta against foreign currencies at the level of March 31. This effectively forces banks either to convert their foreign currency loans – about half the total debt – into pesetas or to carry the exchange risk.

ERT's proposed industrial reorganisation would involve a trimming of its workforce in its core activities – fertilisers, explosives and refining – by about 8 per cent to 8,400 before 1987. Its "non-basic" companies employ just less than 2,300.

Woolworth income up by 30%

BY WILLIAM HALL IN NEW YORK

NET INCOME from continuing operations at F. W. Woolworth, the giant U.S. retailing group, rose by 30 per cent to $70m in the three months to end-January, 1983. The improvement is in line with the stronger fourth quarter results being reported by other major U.S. retailers.

For the full 1982 fiscal year (ending January 31, 1983) net income from continuing operations totalled $82m or $2.63 per share, compared with $97m or $3.14 per share.

Last year, Woolworth sold its 52.6 per cent stake in its British subsidiary and discontinued its loss making U.S. Woolco operations in a move to boost the group's financial strength and improve profitability.

In the third quarter, Woolworth made a $325m provision to cover the cost of terminating the U.S. Woolco operations, but this was reduced by $39m in the fourth quarter due to better than expected operating results.

As a result of the provisions, Woolworth made a net loss in fiscal 1982 of $353m or $11.71 per share. This compares with net income in 1981 of $82m or $2.64 per share.

● Hyster, the largest fork-lift truck manufacturer in the West, suffered a 78 per cent fall in net earnings in the year to January 31, reflecting the sharp fall in worldwide demand during the recession.

The company, which has extensive European interests, reported net earnings of $7.28m or $1.20 a share for the year, compared with $34.1m or $5.61. Sales fell from $583.6m to $422.2m.

In the fourth quarter, net earnings dropped from $6.33m or $1.04 a share to $3.2m or 53 cents, on sales down from $141.1m to $100.6m.

The results include income from liquidation of inventories valued on the LIFO method. For the full year, net income was increased by $13.1m or $2.16 a share, against $3m or 49 cents in fiscal 1981.

Dutch retailer expects upturn

BY WALTER ELLIS IN AMSTERDAM

KBB, the Dutch retail stores group, remains committed to spending its way out of trouble in 1983. Results for last year, published yesterday, show that a gross loss of Fl 34.4m ($13m), equivalent to the loss for 1981, swelled to Fl 60.1m with the addition of Fl 25m to help cover reorganisation over the present 12 months.

Last week KBB announced an ambitious rescue plan involving assistance from the national investment bank and a Fl 41m injection of capital by Vroom and Dreesman, the rival stores group.

V and D it to increase its holding in KBB from 20 per cent to 40 per cent. Now KBB has made it plain that, by confining even projected restructuring costs as far as possible to 1982 – already the worst year in its history – it can trade profitably this year for the first time since 1980.

The company argues that the Fl 60.1m figure is not a true reflection of performance because of the inclusion of the Fl 25m against 1983 reorganisation. It adds that the picture would be rosier still if a warehouse sale made last year could have been included in the 1982 figures. The Fl 12.9m yielded by the sale will not be available for inclusion in the accounts until January 1984.

If the KBB view is accepted the true net loss plunges to just Fl 22m. A profit this year would then see the group back on the road to stability. And with the sale of its U.S. Macks Stores chain and its Perry Sport stores in the Netherlands, revenue is bound to increase.

Sales within KBB last year rose in value by 6.5 per cent to Fl 3.7bn, with price rises accounting for most of the increase. The gross operating profit was Fl 123m, compared with Fl 106m in 1981. Write-offs came to Fl 81m

In volume terms sales last year rose 1 per cent, against a fall in the retail trade as a whole of about 4.5 per cent.

Not surprisingly KBB, which this year intends shedding 1,500 of its 20,000 employees, will declare no dividend for 1982.

Klöckner earnings lower

KLÖCKNER-WERKE, the West German Steel Group, reports a loss of DM 48.5m ($20.3m) for the year ended September 1982. The result compares with a DM 86.5m loss to 1981, and boosts the company's cumulative two-year loss to DM 135m, AP-DJ reports from Duisburg.

The company said earnings of DM 48m in manufacturing could not offset losses of DM 185m in its basic steelmaking operations. The 1982 loss was offset by a drawdown of DM 48m from reserves which left the year's result balanced.

Herr Herbert Gienow, managing board chairman, said he saw no financial straits or difficulties for the foreseeable future.

Klöckner's group turnover rose 16.5 per cent to DM 7.3bn in 1982. The company expanded manufacturing operations to 44 per cent of total sales.

● Metallgesellschaft, the German metals group, will omit its dividend for the year ended September 1982. The decision confirms an announcement at the end of last year that a dividend payment would not be possible. The company paid DM 4 a share in 1980-81.

● Parent bank net profit of Bayerische Vereinsbank, the West German bank, rose by 8.8 per cent to DM 110.9m ($46.5m) in 1982 from DM 101.9m in 1981. The supervisory board proposes a dividend increase to DM 10 per share from DM 9.

The parent company's balance sheet total rose by DM 3.7bn, or 8.5 per cent, to DM 60.1bn.

Record profit for new Amex acquisition

By Alan Friedman in London

TRADE DEVELOPMENT Bank Holding, the Luxembourg parent of Switzerland's biggest foreign-owned bank, has reported record after-tax profits of $100m ($6.04 per share) for the year to December 31 1982, compared with $87m ($5.24 per share) in the previous year.

The bank, which was controlled by Mr Edmond Safra, has been acquired by the American Express offshore banking arm in a deal worth $550m. Mr Safra's Luxembourg holding company is retaining its 6 per cent stake in Republic National Bank of New York.

The parts of the Trade Development Bank group which have been sold to American Express include Trade Development Bank (Geneva), Trade Development Bank Overseas, Trade Development Bank (Luxembourg) and Trade Development Bank (Uruguay). The combined net asset value of these banks was $344m at December 3.

Total deposits of group banks at year-end amounted to $11.2bn, compared with $9.4bn at the end of 1981. Consolidated capital and loan funds reached $1.2bn, against $1.0bn in 1981.

The bank is paying a $1.50 dividend per share compared with $1.40 in 1981.

TDBH says it will redeem in full the remaining outstanding part of Trade Development Financial Services $40m floating rate notes due 1986 on August 24. It will also repay other group indebtedness of about $25m.

● Nuovo Banco Ambrosiano, the bank created after the collapse of Banco Ambrosiano last August, intends to increase its share capital.

The bank declined to give details of the planned operation

Gotaas-Larsen in $73.3m loss after carrier provision

BY ANDREW FISHER, SHIPPING CORRESPONDENT, IN LONDON

GOTAAS-LARSEN, the international shipping group based in Bermuda, fell steeply into the red last year as a result of a special $75.5m provision for its laid-up liquefied natural gas (LNG) carrier, the Golar Spirit.

The net loss for the full year was $73.3m against a tiny profit of $600,000 in 1981. Per share, this worked out at a loss of $7.11 compared with earnings per share of $1.25 the previous year.

Gotaas-Larsen, shares of which are quoted in London and on the North American over-the-counter market, made the provisions on the Golar Spirit in the fourth quarter, which weighed heavily on the year's figures.

The net loss in the final three months totalled $88.4m compared with $23.2m and the per share loss was $7.5 ($1.09). The company said the extremely severe recession continued to affect most markets in which it operated.

The financial provisions for the 129,000 cubic metre Golar Spirit, one of the largest LNG ships built, cover four years to end-1986. No long-term charter is seen likely before then.

Delivered in 1981, the $165m ship is now laid up near the Gulf. Final delivery was delayed by agreement with the shipyard from 1977 due to the market's poor state.

Annual revenues of Gotaas-Larsen, formerly part of the IU International group of the U.S., were $175m ($195m). Operating profits totalled $34.7m ($45.8m). Interest charges rose to $67m from $60m, while foreign exchange movements led to a $4.6m gain after a $9m loss.

In the fourth quarter, which saw continued unprofitable trading in chemical carriers, losses on tankers and steady profits on the other four LNG ships, revenues were $36.2m against $46.5m. Before interest charges of $18m ($19m).

Operating profits fell to $4.5m from $6.5m. The company said its liquefied petroleum gas (LPG) carrier, Golar Frost, traded in the fourth quarter, but at unsatisfactory rates.

● Sea Containers, the container and ship leasing group which also owns the revived Orient Express and hotels in Italy, saw net income ease last year to $41.7m from $43.3m.

Loan competition call

BY ALAN FRIEDMAN IN LONDON

A SENIOR Commerzbank executive yesterday called for closer co-operation between banks and the International Monetary Fund (IMF) and urged commercial banks to avoid "competition-spurred excessive lending" in the international loan market.

Herr Manfred Kraffczyk told a London conference held by the Institute of Credit Management that it was necessary for both borrower countries and lending banks to restrain their "often unreasonable eagerness."

He described the present search for quality borrowers as a problem in that it led to increasing competition and slimmer margins for banks and this could place pressure on profits from syndicated loans.

The profit slump in the international banking business could only be halted, he explained, if the leading banks "one day simply refuse to lend at insufficient margins."

Herr Kraffczyk concluded that banks would have to face a growing number of reschedulings in the first half of the 1980s and thus had the chance to get a higher margin

DSB interest earnings recover

By Stewart Fleming in Bonn

DEUTSCH-SKANDINAVISCHE Bank, the West German subsidiary of Skandinaviska Enskilda Banken, the largest Scandinavian bank, has reported a sharp recovery in interest and operating earnings in 1982.

Total assets dropped from DM 2bn ($837m) to DM 1.9bn, but interest earnings recovered from DM 5.3m to DM 12.5m.

Net income for the parent bank, which since 1961 has been 100 per cent controlled by Skandinaviska Enskilda, rose from DM 238,000 to DM 423,000.

President for Suez Finance

By Paul Betts in Paris

M JEAN PEYRELEVADE, one of the right hand men of M Pierre Mauroy, the French prime minister, was appointed by the French government yesterday as the new president of Compagnie Financiere de Suez, the complex state financial holding company.

M Peyrelevade will take over from M Georges Plescoff, who was appointed president of the financial institution after it was nationalised by the M Mitterrand government one year ago. M Plescoff, a well-respected figure in French financial circles who was a former president of Assurances Générales de France, has reached the mandatory retirement age of 65 for presidents of French state-owned companies. However, he will remain on the Suez board.

M Peyrelevade has been assistant director of the prime minister's office. But he also has widespread banking experience, having worked and held senior executive at Crédit Lyonnais.

SEC investigates Continental

CONTINENTAL ILLINOIS, the seventh largest U.S. bank, has revealed that the Securities and Exchange Commission (SEC) is investigating whether it violated disclosure requirements on its financial condition and whether employees engaged in illegal insider trading last year.

The bank, which suffered a sharp profit decline last year as non-performing loans soared to $1.9bn, reported the investigation in its annual report mailed to shareholders yesterday.

The SEC is looking into Continental's handling of public disclosure concerning its financial condition and the sale of securities by "persons who may have been in possession of material non-public information," including the status of loans bought from the failed Penn Square Bank of Oklahoma City.

Security Pacific to buy bond brokerage firms

BY PAUL TAYLOR IN NEW YORK

SECURITY PACIFIC, the tenth largest U.S. bank, yesterday announced plans to become the first major U.S. bank holding company to purchase municipal and corporate bond brokerage firms.

The Los Angeles-based bank, which has developed an aggressive diversification strategy into the securities industry, said it plans to buy Clifford Drake and Co and Chapdelaine and Co Corporate Securities, two New York-based private brokerage firms.

The proposed acquisitions are subject to negotiation of definitive agreements and the approval of the comptroller of the currency.

The move marks a further push into the securities industry by Security Pacific and another test of the regulatory framework of the U.S. financial services sector, which is passing through a period of intense change.

Clifford Drake is a leading municipal bond broker while Chapdelaine is a leading corporate broker. Both deal with securities firms and will be run as independent subsidiaries.

Security Pacific has already purchased a number of regional discount brokerage houses.

Mr Richard Spelke, a Security Pacific senior vice president in charge of the bank's financial management group, said "the purchase of these two companies involved in municipal and corporate bond brokerage is in keeping with our plans to play a greater role in offering wholesale services to the securities industry."

"We intend to increase the scope of each company's activities. By providing them with financial and technological resources we plan to expand the range of products each company offers to its customers."

Security Pacific currently operates two New York-based companies serving the wholesale securities industry. Security Pacific Clearing Services provides municipal and government securities clearing facilities and RMJ Securities Corp is a leading broker of U.S. government securities and other money market instruments.

Chairman was major debtor in bank failure

BY OUR NEW YORK STAFF

ABOUT HALF of the $377m of problem loans on the books of the United American Bank of Knoxville, Tennessee, when it failed last month, were made to Mr Jake Butcher, the bank's chairman, his family and associates and their interests, the Federal Deposit Insurance Corporation, FDIC, has revealed.

The FDIC analysis was among documents handed in during the first two days of Congressional hearings into the failure. Although the FDIC had earlier indicated that the bank lent heavily to insiders and their friends, these are the first detailed figures on such loans.

According to FDIC documents nearly 30 per cent or $111.9m of the $377m in loans deemed to be partially or totally uncollectable were held by Mr Butcher.

The FDIC said a further $78.4m, or more than 20 per cent of the problem loans, represented borrowings by an unnamed Butcher "family member, associates thereof and interests."

United American Bank was declared insolvent on February 14, becoming the third largest U.S. bank failure in recent U.S. history. The bank reopened the next day after First Tennessee National, a Memphis-based bank holding company, won it in a FDIC auction.

THE HONGKONG BANK GROUP

announces that
on and after

16th March 1983

the following annual rates
will apply

Base Rate 10½%
(Previously 11%)

Deposit Rate (basic) 7½%
(Previously 8%)

The Hongkong and Shanghai Banking Corporation
The British Bank of the Middle East
Mercantile Bank Limited
Antony Gibbs & Sons, Ltd.

INTL. COMPANIES & FINANCE

Holmes à Court company doubles operating profits

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BELL GROUP, the Perth-based international media, entertainment, transport and resources group, more than doubled pre-tax operating profit for the six months to last December 31, from A$5.4m to A$12.5m (U.S.$10.9m). Net profits rose, however, by only 1.7 per cent, to A$5.2m.

Mr Robelt Holmes à Court, the group's chairman, said the latest interim period covered only the start of Bell's merger with TVW Enterprises, of which ho is also cbairman, TVW owns the British-based Associated Communications Corporation, formerly run by Lord Grade.

The merger has created e group with assets of ebout A$500m and sbareholders' funds of ebout A$200m. It is expected to take a year before effects of tho morger can be properly measured.

"Only ebout helf of TVW's results had been consolidated (into Bell group's figures) in line with the amount owned by the Bell group et December 31," said Mr Holmes à Court yesterday.

The eddilional contribution from TVW to Bell group's consolidated operating profits was show as A$1.4m.

The impact of TVW's purchase of Associated Communications shows in Bell group's significantly higher half-year tax and interest charges.

Tax was A$3.9m egainst A$118,000 in the same period last year, which trimmed the pre-tax profit to A$8.6m before deducting minority interests of A$3.4m.

Interest charges were considerably higber, A$19.3m against A$3m in the December half of 1981, end depreciation A$4.2m.

The interim ordinary dividend is 5 cents e share, payable on May 26.

"The Bell group expects to meintain its level of earnings end progressively improve these as the benefits of the merger are felt," said Mr Holmes à Court.

Nikkatsu plans Chiu group link

BY ROBERT COTTRELL IN HONG KONG

NIKKATSU, the Japanese film company which was once en associate of Hong Kong's Carrian group, plans to establish an equity link with another partner in the colony, the Chiu family's Far East group.

Far East Holdings (FEH), the Chius' quoted bolding company, proposes to buy 5m Nikkatsu shares for Y155 oech, equivalent to HK$21.7m (U.S.$3.27m) for the etake. Nikketsu will buy 2.6m now FEH shares et HK$8 per share, a total price of HK$21m.

Tbe two groups plan furthor land end share transactions. FEH says it will buy 190,000 sq motres of land noar Nagoya from Nikkatsu for Y3.5bn (U.S.$14.7m), equivalent to HK$98m. Simultaneously, Nikkatsu will subscribe for a furthor 12.2m now sbares in FEH at HK$8 per sbare.

Meanwhile, Nikkatsu will buy from Far East Consortium (FEC), a 36 per cent-owned associete of FEH, a company called Vario, whose mein asset is e central district office block, for HK$60m. FEC will then subscribe for 14m new shares in Nikkatsu, for a total price of HK$60m.

Overall, tho deals will give Nikkatsu 16.3 per cent of FEH, whilo the Far East group will hold about 10 per cent of Nikkatsu.

Carrian Investmonts announced last month the sale of its stake in Nikkatsu, as part of a cash-raising exercise to belp meet liquidity problems which have forced the group as a whole to seek debt rescheduling from its bankers. Nikkatsu owns 47 cinemas, three botels and two commercial buildings in Jepan.

According to a statement released by Far East Consortium, Nikkatsu has e 20 per cent sbere of tho Japanese video market. Tho Chiu family has extensive entertainment industry interests, including ownership of Asia Television, ono of Hong Kong's two TV stations.

Koor sees sharp rise in sales

BY L. DANIEL IN TEL AVIV

KOOR, THE industrial holding company of the Israel Labour Federation which controls more than 100 factories, is forecasting 1983 sales rising to $1.83bn from $1.65bn in 1982 with exports rising to $520m from $471m last year.

Koor is, however, deeply concerned about the country's economic situation, with industrial exports down by between 3 and 3.5 per cent in January-February and industrial imports up 4.5 per cent. The Israeli Treasury's policy of keeping the devaluation below the rate of inflation is sald to be encouraging cbeap imports.

Nevertheless, Koor intonds this year to invest $162m in the expansion of some plants and in building five new ones. This compared with $132m invested in 1982.

Tho new factories will be in the fields of metal working, crystal and printed circuit production (both in co-operation with Tadiran), paper for computers and, somewhere in the Negev, a plant for "sophisticated items." Of the $162m 47 per cent will go to electricity and electronics, 19 per cent to chemical plants, 16 per cent to non-ferrous motals, 12 per cent to motal works, and a unchanged 6 per cent into processed food manufacture.

● Scitex, the Israeli producer of turnkey computer-aided design systems, whose sbares are traded over the counter in the U.S., reports a 50 per cent growth in sales and a 20 per cent rise in net profits. Sales in 1982 totalled $50.5m and net profits increased to $6.1m.

Mutual and Federal back to profitability

By Our Johannesburg Correspondent

MUTUAL AND FEDERAL, the South African short-term insurance company wbicb is 79 per cent jointly owned by the country's largest insurance group, the Old Mutual and Royal Insurance, returned to profitable underwriting operations in tbe six months to end-December, recording a first-half underwriting surplus of R1m ($922,000). This compared with deficits of R659,000 in the corresponding period of 1981 and R2.2m in the year ended last June.

Gross premium income was R114m compared with R81.3m in the corresponding previous half year and R179m in tbe year to June.

Mr John Posnett, deputy managing director, said tbe underwriting results benefited from the fact that there were no large weather claims.

The interim dividend has been increased to 26 cents from 22 cents e share, wbile first-half earnings rose to 155 cents a share from 97.4 cents.

Little change at Cape Wine

By Our Johannesburg Correspondent

CAPE WINE and Distillers, which controls about 85 per cent of South Africa's wine and spirit market, is suffering from declining consumption of most spirits. In the six months to end-December, pre-tax income after Lifo accounting adjustments was R41.8m ($38.5m) against R39.1m in the corresponding 1981 period. In tho year onded last June, profit was R67.2m.

Volume sales of all spirits except vodka fell last year by between 9 and 12 per cent, while sales of natural wine rose by 5 per cent. Beer sales rose by 16 per cent.

Cape Wino has declared an unchanged interim dividend of 8 cents a share while first half earnings rose slightly to 16.8 cents a share from 16.4 cents. In the year to last June earnings totalled 27.4 cents a share and the total dividend was 13.7 cents.

Hitachi discs

Hitachi has stated that it is not making 3.5-inch compact data storage discs for the U.S. market, as was reported in tho Financial Times of February 23 1983. The company [illegible] that it is dedicated to pro[illegible] ing discs designed to a 3-inc. format.

INTL. COMPANIES & FINANCE

Kuwait Petroleum reacts to a second rebuff to its U.S. ambitions

The Kuwait Petroleum Corporation (KPC) met a rebuff from the U.S. for the second time in a year last week, with the announcement by Mr James Watt, the U.S. Interior Department Secretary, that the Administration would ban investment by Kuwait in oil and gas mineral rights on Federal lands.

Senior officials in Kuwait reacted angrily, calling the decision "stupid and unwise in the present investment climate." Feisel Kazmawi, chairman of the Kuwait Foreign Petroleum Exploration Company (KUFPEC, an) affiliate of KPC, said: "There are not many oil companies in the world with a lot of cash available to spend on large scale exploration programmes."

Mr Watt based the decision on the grounds that Kuwait did not offer reciprocal rights of investment to U.S. companies. In Kuwait, oil resources are owned by the state and land ownership restricted to Kuwaiti nationals. The decision stands effectively to bar any investment in mineral rights on Federal land by Gulf governments, for the same land ownership rules apply in every state.

The rebuff is not likely, however, to deter the Kuwait Petroleum Company from further investment in the U.S. on private sector lands.

Earlier controversy over Kuwait's U.S. investments was caused by the purchase of Santa Fe.

Enter the eighth oil sister

BY KATHLEEN EVANS IN KUWAIT

KUWAIT Petroleum Corporation is expanding rapidly, at a time when other oil companies are cutting back. Formed only three years ago, it has already been dubbed "the eighth sister" to the industry's renowned seven.

Situated above the Gucci shops in one of Kuwait's most select shopping arcades, the company is run on luxury lines. Employees call on an army of uniformed waiters, who briskly dispense Turkish coffee, Arab cakes and digestive biscuits in a style which would credit any first-class hotel.

In the last two months, this younger sister of the oil business has spread her wings by buying up assets of Gulf Oil in Europe. The purchases, financed in part by cash and in part by crude oil, give KPC control of two refineries of 75,000 to 80,000 barrels a day (b/d) capacity and some 1,600 petrol stations. It will be the first time Arabs have marketed directly to European consumers in their own high streets.

Hani al Hussain, executive assistant managing director, says the takeover by KPC will protect employees from rationalisations and redundancies which would have resulted in the sale to any other buyers. KPC does not expect any adverse consumer reaction to their presence at the petrol pumps. All the same, the Gulf Oil brand name will be kept for a few years.

Back home, KPC's deal in Europe is the envy of the Gulf. Kuwait is already exporting two-thirds of its domestic oil production in the form of refined products, and this latest Gulf deal will mean that between 10 per cent and 20 per cent of its total output can be absorbed in Europe at Kuwait's own petrol stations.

Like many other crude oil exporters, Kuwait has suffered from pressure from its buyers, and crude oil exports are now believed to be as little as 150,000 to 200,000 b/d. In the last few months of last year, ENI of Italy, Daikyo of Japan and Gulf Oil dropped out of contracts. Brazil, another major customer, is reported to be asking for softer credit terms, and the Taiwanese have lately been visiting in what KPC officials say are "normal routine meetings."

The downstream connection is vital in insulating the state from a further decline in the crude oil market. Kuwait is suffering downwards adjustments in its product prices like any other products seller, but at least it is suffering no more than other companies.

As Abdul Hadi al Awwad, the corporation's finance manager puts it: "We are not looking at the Gulf assets as a possible profit generating connection. The profit aspect has not even been looked at. We wanted to go downstream."

With the new European petrol stations, KPC can now boast that it is a fully integrated oil company, controlling the process from the time the oil comes out of the ground to the time it is sold to consumers. KPC now has subsidiaries which explore for oil, produce, refine, market, transport and retail the country's own oil. Within the next two years, it will have a refining capacity at home of about 700,000 to 750,000 b/d as its refineries undergo expansion and upgrading at a cost of US$4.5bn.

Its other acquisitions fit neatly into the chain. Santa Fe, the U.S. drilling contractor bought for $2.5bn more than a year ago, is undertaking a lot of Kuwait's own domestic drilling programmes, while the Sante Fe subsidiary, C. F. Braun, is carrying out the Mina Abdullah refinery expansion contract. Through two other KPC subsidiaries, Kuwait has interests in consessions stretching from the North Sea to China.

As with other integrated oil companies, profit levels have been knocked by the decline in oil demand. KPC officials say European fears that their petrol stations will be supplied with cheap crude are groundless. Just like any other oil major, KPC is obliged to pay the full official price from the country's Ministry of Oil. Nevertheless, unlike any other oil company, KPC has its exploration and operators' fees fully reimbursed by the Government.

Profits have declined. Al Awwad says that preliminary estimates for the fiscal year ending June 1982 show revenues at $11.6bn, with expenditures at around $10.6bn to $10.9bn. The profit of about $1bn is not readily to be compared with the comparable preceding period, because of an accounting change from an 18-month span, but Al Awwad says that it is "much less."

Much of these profits, says the company's financial manager, is coming from KPC investments rather than from oil sales. These include dividends on companies it has bought, loans to new subsidiaries, and term deposits. KPC maintains an investment portfolio of about $300m operated by the Kuwait Investment Office in London.

KPC says it is still able to make a profit on product sales, helped by the high yield Shuaiba refinery, one of the most modern in the world. The company has lost heavily on some products, nevertheless, making up the balance on others. The refinery subsidiary, KNPC, made about $171m in profits in the last fiscal year, but most of this came from interest on the remaining cash reserves.

KPC officials concede that the current year may not look so good—not only because of the oil market weakness, but because the refinery expansion programme will place a strain on reserves. KPC has an issued capital of $8.6bn, half of which has been called.

But, Al Awwad argues, oil company profits worldwide had been "abnormal," and the industry is now settling down to a more normal return. "What other business do you know which has seen its product multiply in price so many times? We in Kuwait have great faith that the oil industry will never diminish," he said grabbing another digestive biscuit.

The main divisions

KPC came into being with the major restructuring of the Kuwait petroleum industry that started in 1980 and is the umbrella company spanning the whole of the sector. KPC's main divisions are:

- Kuwait Oil Company (KOC)—which handles domestic oil and gas production;
- Kuwait National Petroleum Company (KNPC) — refining and liquefied natural gas;
- Kuwait Oil Tanker Company (KOTC)—crude oil and product shipments;
- Petrochemicals Industry Company (PIC) — petrochemicals production;
- Kuwait International Petroleum Investments (KIPIC) — petroleum related investments outside Kuwait;
- Kuwait Foreign Petroleum Exploration Company (KUFPEC)—overseas oil exploration and development.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER MARCH 15 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.87	11.64	12.22	11.81
DM (Foreign Bond Issues)	7.51	7.53	7.79	7.41
HFL (Bearer Notes)	7.86	7.87	8.07	7.43
Can$ Eurobonds	13.02	12.93	13.56	12.83

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 488 7111

NOTICE TO HOLDERS OF

OKUMURA CORPORATION

(Kabushiki Kaisha Okumuragumi)

5¾ PER CENT CONVERTIBLE BONDS 1997

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 23rd February, 1982 under which the above Bonds were issued, notice is hereby given as follows:

1. On March 10, 1983 the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of March 31, 1983 in Japan, at the rate of two-tenth of shares held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective immediately after such record date. The conversion price in effect prior to such adjustment is Yen 412.70 per share of Common Stock, and the adjusted conversion price is Yen 343.30 per share of Common Stock.

OKUMURA CORPORATION
By: The Bank of Tokyo Trust Company as Trustee

Dated: March 17, 1983

Novo Industri A/S — NOVO

The Company will hold the Ordinary General Meeting on Tuesday 12th April, 1983 at 4.00 P.M. in Børsbygningen, Børssalen, Copenhagen K., Denmark.

Agenda:

1. The Board of Directors' report on the Company's activities in the past financial year.

2. Presentation of the financial statements, auditors' report and consolidated group accounts.

3. Resolution concerning adoption of profit and loss account and balance sheet and the discharge of Management and Directors from their obligations.

4. Resolution concerning application of profit as per the accounts adopted.

5. Election of members to the Board of Directors.

6. Election of auditors.

7. Resolution proposed by the Board of Directors to increase the Company's share capital by a nominal amount to be fixed by the Board of Directors of not less than Dkr. 20 million and not more than Dkr. 45 million B shares. The new shares will be offered – without preemptive rights for the Company's existing shareholders – for subscription during the period April 12th – November 1st, 1983 by a United States banking consortium, which will then offer the shares for sale to investors primarily in the U.S. capital market. It is considered impracticable to complete the issue of shares on the U.S. capital market with preemptive rights for the Company's existing shareholders.

The subscription price shall be fixed so as to approximate the officially quoted price at the Copenhagen Stock Exchange and the price quoted on the New York Stock Exchange, on the day preceding the submission by the United States banking consortium of a preliminary subscription offer, provided that the subscription is then completed not later than 15 days thereafter. However, the subscription price can in no event be less than Dkr. 1.500 for one Dkr. 100 B share (nominal value). Should the banking consortium not wish to subscribe the new shares at the subscription price thus fixed, or in the event that the prevailing market conditions are deemed to be unfavourable for the issue, the Board of Directors shall be authorized not to effect the capital increase.

The new shares shall be entitled to full dividend for the fiscal year 1983, and qualify for other rights as from the time of subscription.

The costs connected with the capital increase, including commissions to the United States banking consortium will exclusive of Danish taxes substantially exceed 5 per cent of the nominal share amount but is not expected to exceed 8 per cent of the proceeds of the issue. The necessary permission under the Danish Companies Act (§ 32) will be applied for.

It is further proposed that the Board of Directors shall be authorized to amend § 4 a), first sentence, of the Company's Articles of Association to reflect the increase in the share capital.

8. Miscellaneous.

The shareholders are reminded that the passing of the Board's proposal requires that shareholders corresponding to not less than 2/3rds of the total number of votes in the Company are represented at the General Meeting, and further that the resolution is carried by not less than 2/3rds of the votes cast as well as of the share capital represented and entitled to vote at the meeting. The *Novo Foundation*, which holds all the A shares of the Company, has endorsed the Board's proposal.

Admission cards and voting papers are available for collection or by postal application at the Company's office, Novo Allé, 2880 Bagsvaerd, Denmark, on all business days from 24th March and up to and including 7th April, 1983 both days inclusive between 10 a.m. and 3 p.m.

Where B shares are registered by the Company under the holder's name admission cards and voting papers will on application be issued directly to a shareholder (stating the serial numbers and nominal value of his shares). In respect of other shares, admission cards and voting papers are issued against production of the share certificates or any other documentation considered in the opinion of the Company to be satisfactory, e.g. a written statement from a bank approved by the Company to the effect that the shareholder has deposited share certificates identified by serial numbers and nominal value, in the bank, that the shares bear no endorsement to the effect that they have been registered under the holder's name, and that the shares will remain deposited in the bank until the day after the General Meeting for which the shareholder requests an admission card. Unless the shareholder specifies an address where the admission card shall be sent to, the admission card must be collected at the Company's office not later than 11th April, 1983.

The agenda, the complete proposals and the financial statement, auditors' report and the consolidated group accounts will be available for inspection by shareholders at the Company's office from Tuesday, 5th April, 1983. The financial statement etc. are available from the Company or Morgan Grenfell & Co. Limited, Registrars Department, 21 Austin Friars, London EC2N 2HB, U.K. as from 31st March, 1983. However, the financial statement will be sent to the shareholders whose shares are registered under the holder's name in the the Company's register of shareholders.

The dividends declared at the General Meeting will be paid (less 30 per cent. dividend tax) from Wednesday 13th April, 1983, against delivery of coupon number 7. Payment will take place at Copenhagen Handelsbank, 2, Holmens Kanal, 1091 Copenhagen K, Denmark.

To the holders of Convertible Bonds 7 per cent 1989:
Bondholders are advised that the above offering of new shares in the Company, if duly authorized by resolution of the shareholders of the Company passed by special majority required at the Ordinary General Meeting, may give rise to an adjustment of the conversion price in accordance with condition 5 (c) of the bonds. Whether or not there will be an adjustment will depend on the subcription price eventually determined by the Board of Directors under the authority given to them by the shareholders.

A further announcement will be made if the terms of issue do give rise to an adjustment.

Information on the special taxation rules applicable to shareholders resident in the United Kingdom or the Republic of Ireland may be obtained from the Company or from Morgan Grenfell & Co. Limited.

Bagsvaerd, March 1983

Signed by
the Board of Directors

NOVO

UK COMPANY NEWS

FIERCE COMPETITION HOLDS BACK SALES IN GERMANY

Rowntree recovery continues

BY OUR FINANCIAL STAFF

ROWNTREE MACKINTOSH, the foods and confectionery group, has achieved sharply higher profits for 1982, showing that the recovery started by the group in 1981 has continued.

At the pre-tax level they rose by £10.6m to £50.5m, with the second half contribution up from £31.2m to £36.8m. Profits for 1980 fell to £31.4m.

Sales, including newly-acquired RPC, rose by 12 per cent to £770.5m, against £688m previously, and trading profits emerged £7.9m ahead at £55.9m.

The directors are lifting the final dividend from 5.3p to 5.9p, which raises the year's total from 8p to 8.8p per 50p share.

They say benefits came from less rapidly rising costs. Stable cocoa prices and tight internal cost controls played important parts.

The directors say that trading conditions in Europe were difficult, especially in Germany. But despite this, the European division improved its trading results and maintained sales volumes. They say the rates of return are still far too low but they believe that with the exception of Germany, where competition was particularly fierce, there is a discernible upward trend in financial performances.

The overseas division held sales volumes and trading profits close to 1981 levels.

The taxable surplus for 1982 was struck after allowing for interest charges, well down at £5.4m, compared with £9.3m.

Wolseley-Hughes up 38% in first half

HALF-YEAR results from Wolseley-Hughes, which for the first time include a full six month's trading by Ferguson Enterprises in the U.S., are in line with expectations, says Mr Jeremy Lancaster, chairman. Sales for the period ending January 31 1983 rose 62 per cent to £169.85m and pre-tax profits by 38 per cent to £7.25m.

In the corresponding period last year sales came to £104.69m and profits to £5.25m.

Apart from the building industry, Mr Lancaster says that there does not appear to be any increase in demand and order books are still low. The outlook for the remainder of the year is for a continuation of existing trading conditions.

In the last full year sales amounted to £222.64m and profits to £11.14m.

The net interim dividend has been lifted from 4.84p to 5.08p on enlarged capital. Earnings per 25p share are shown as 20.86p against 20.4p.

Increased activity in the building industry helped boost sales in domestic heating and plumbing distribution, but fierce competition has kept margins under pressure.

Pre-tax profits were struck after increased interest charges of £1.26m (£180,000). Tax amounted to £3.12m (£1.92m), and, after minorities, attributable profits were ahead from £3.32m to £4.12m.

Turner & Newall dives to £19m loss

BY OUR FINANCIAL STAFF

TURNER AND NEWALL, the construction materials, mining and chemicals group, saw its results plunge to an all time low last year. The full year pre-tax loss reached £19.3m against a profit of £11m previously. This followed a £13m dive to a £4.5m loss at mid-year.

There is no final dividend and the interim of 0.25p net per share therefore compares with the previous year's 3p. Stated loss per £1 share was up from 5.52p to 28.77p, before extraordinary items.

In the UK the operating loss was £2.8m, compared with a £3.2m profit, while the overall group trading profit of £11.7m (£31.9m) was insufficient to meet higher financing charges of £24.2m (£19.5m). Sales were little changed at £621.4m (£622.7m).

The year's tax charge was £10.2m (£14.5m) and the loss before extraordinary items was £31.2m (£6m) after charging £7.7m for redundancy costs, including £4.1m for redundancies during 1983.

Extraordinary charges increased from £20.1m to £40.6m and included £15.7m losses on disposals, closures and restructuring, principally of UK manufacturing businesses, and £24.9m in respect of the carrying value of the Zimbabwe mining subsidiaries.

Sir Francis Tombs, the chairman, says that 1983 will be a year in which a sharp improvement in cash flow should be achieved, derived from reducing working capital, lower capital expenditures, demanning and lower financing costs.

The recently completed sale of the investment in Philipp A. Hunt Chemical Corporation has reduced group debt as a percentage of shareholders' funds from 55 per cent at the year end to below 30 per cent.

Sir Francis says there is nothing to suggest that the world economy in 1983 will come to the aid of industry in general or of Turner and Newall in particular. With two major disposals behind it, operational cash generation remains the group's prime objective for 1983.

The mining subsidiary in Zimbabwe remains a major problem, with the world recession causing weakness in demand for asbestos fibre. Discussions are taking place with the Zimbabwe Government on ways to resolve the problems of excess stocks and overmanning. As management is currently inhibited by local legislation from taking corrective action on both these problems the board has decided that it is no longer able to consolidate the financial statements of this company and its subsidiaries.

Downturn for Canning

W. CANNING suffered a fall in 1982 pre-tax profits to £801,000, against £905,000. The result, however, was struck after a sharp rise in redundancy costs from £32,000 to £309,000.

Sales of this chemicals, metals and electronics group were slightly down at £45.73m, against £48.21m, following the exclusion of most engineering sales in 1982.

The final dividend is being reduced from 2.254p to 1.5p net for a lower total of 1.75p (3.978p) per 25p share. With the tax charge up from £241,000 to £335,000, earnings per share dropped from 5.29p to 3.39p.

Mr Ben Thomas, the chairman, expects Canning to perform better in 1983 and provide a more acceptable return on shareholders' funds.

Borrowings at the year end were 52 per cent of shareholders' funds, but this will be reduced to 33 per cent by the proceeds from disposals in the first five months of 1983.

The chairman says a reasonable result was achieved by the chemicals group against a background of a continuing downward trend of industrial activity in the UK.

Thomas Tilling profits plunge £30m in year

THOMAS TILLING, the industrial holding company, suffered a sharp fall in taxable profits last year, from £73.6m to £43.7m. The downturn reflected a £41.2m plunge to losses of £16.6m in the group's energy equipment division and a jump in interest costs from £34.1m to £49.9m.

The year's dividend is being maintained at 8p net per share with a final of 4.5p. Earnings per share fell from 18.6p to 8.8p.

The directors expect the group to resume profit growth this year barring unforeseeable economic setbacks, particularly in oil.

Net borrowings increased during 1982 by £86m to £307m. Of this increase, £51m resulted from translating foreign currency borrowings into sterling and £31m was due to cash acquisitions.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	15/4	145	158	✠Airship Inds.	136	−2	—	—	—	—
112	F.P.	16/5	147	122	Assoc. British Ports	142	−5	b7.0	1.8	7.0	16.4
—	F.P.	—	100	100	Atl'ta M'trp'n U.S.$.10	100	...	Q80	0.6	5.8	33.9
§100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	...	—	—	—	—
§74	F.P.	21/1	156	108	✠Canvermoor	140	...	b3.64	2.0	8.7	16.9
‡‡	F.P.	15/4	220	205	✠Grainger Trust	205	−3	u8.8	9.5	9.7	15.6
§36	F.P.	8/4	112	89	✠NB Elect Comps 10p	200	+3	u1.12	3.3	1.6	22.5
§190	F.P.	4/3	388	305	✠Microgen	358	−2	b4.0	2.2	1.8	29.5
§155	F.P.	7/1	228	198	✠Munford & White	218	−7	b2.8	2.4	1.7	34.8
§28	F.P.	4/2	198	145	✠Resource Tech. 10p	185	...	—	—	—	28.8
‡‡	F.P.	—	110	88	✠Sinclair (Wm.)	88	...	§4.25	1.0	6.9	21.5
‡‡	F.P.	—	105	5	Do. Defd.	77	...	—	—	—	—
178	F.P.	25/3	303	258	Superdrug Stores 10p	255	−5	bd3.3	8.4	9.0	30.1
120	F.P.	—	125	100	✠Swindon Priv Hos £1	105	...	—	—	—	—
§1p	F.P.	11/3	29	22	✠Tele.Services Int 1p	25½	−½	b0.2	3.8	1.1	38.0
§78	F.P.	30/3	115	89	✠Utd. Packaging 10p	113	+3	b2.5	3.2	3.2	12.0
§150	F.P.	18/2	340	265	✠WightCollinsR. S10p	280	...	bd2.75	3.3	1.4	51.2
—	F.P.	3/8	25	20	Yorks & Lancs. W'rrnts	20	...	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
27.504	F.P.	4/3	102	88¼	BOC 12¼% Uns. Ln. 2012-17	96	−½
99.431	£20	10/4	21⅞	12	Birmingham 11½% Red. 2012	17¾	−¾
*100	£10	2/6	10¾	10¾	E.Worcestershire Water 7% Rd. Prf. 1990	10¾	...
**	F.P.	31/3	224p	180p	Electro-Protective 7% Cnv. Prf.	172p	...
18	£25	30/6	25½	24¼	Hambros Inv. 5-17% Stpd. Gab. 2018	25⅛	...
¶	F.P.	28/7	100⅛	100	Mid Sussex Water 7% Red. Pref. '88-90	100¼	...
—	—	—	100⅜	99	Nationwide Bdg. Soc. 11⅞% Bds. 23/1/84	100⅜	...
—	—	—	100⅞	100	Do. 11⅞% Bds. 13/2/84	100⅞	+⅛
—	—	—	100⅛	100	Do. 11¼% Bds. 19/3/84	100⅛	¼
§97.774	£95	6/5	30½	22	Pearson (S) 13% Uns. Ln. 2007	30⅛	+¼
*100	£10	9/6	19	12	Sutton Dist. Water 7% Pref. 1988	19	...
96.55	£25	8/7	31⅞	23½	Sweden 18½% Ln. Stk. 2010	30¾	−1⅛

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	F.P.	26/2	26/4	348	278	AGB Research 10p	340	...
‖140	Nil	25/3	15/4	12¼pm	2pm	✠Airship Inds.	2pm	−2
280	Nil	23/3	26/4	94pm	85pm	Applied Computer	90pm	−2
3½	Nil	4/3	28/3	18pm	8pm	Audiotronic 9½p	17pm	...
11	Nil	—	—	2¾pm	1pm	✠Berkeley & Hay Hill Invs 10p	1¼pm	−1⅛
50	F.P.	8/2	2/3	55	45	Cluff Oil 'B'	48	...
78	F.P.	7/3	13/3	105	85	Dominion Int. 20p	93	−1
102	Nil	—	—	12pm	11pm	✠Garfunkels 10p	19pm	...
183	F.P.	11/3	10/6	183	171	Geers Gross 10p	178	−2
90	F.P.	21/2	7/4	158	130	Grosvenor Group	156	+2
140	Nil	28/3	8/5	54pm	40pm	Magnet & Southerns	52pm	−2
25	F.P.	18/3	25/4	22	23	Mettoy	23	−1
27	F.P.	21/7	7/4	38	32	Mount Charlotte 10p	38	...
A$1.50	Nil	—	—	37pm	40pm	North B. Hill 50c	40pm	...
60cts	F.P.	11/3	—	38	34	Rand Lon. Corp. 15cts	37	...
58	F.P.	8/2	29/4	78	61	Stakis 10p	79½	...
400	F.P.	4/3	22/4	490½	428	Ultramar	480	+5
61	Nil	23/3	6/5	31pm	23pm	Valor	30pm	...

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. N Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Public Works Loan Board rates

Effective March 16

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 3	10⅞	10⅞	11	12	12	12
Over 3, up to 4	10⅞	10⅞	11⅛	12	12	12
Over 4, up to 5	11	11	11¼	12	12	12
Over 5, up to 6	11⅛	11⅛	11⅜	11⅞	12	11⅞
Over 6, up to 7	11⅛	11⅛	11⅜	11⅞	12	11⅞
Over 7, up to 8	11⅛	11¼	11⅜	11⅞	12	11⅞
Over 8, up to 9	11¼	11⅛	11⅜	11⅞	12	11⅞
Over 9, up to 10	11⅛	11⅛	11⅜	11⅞	12	11⅞
Over 10, up to 15	11⅛	11⅛	11⅛	12	11⅞	11⅞
Over 15, up to 25	11⅛	11	11	11¾	11¾	11¾
Over 25	11	10⅞	10⅞	11¾	11⅞	11⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

BTR rises 18%: pays 1.25p more

A 14 per cent increase in sales to £724.9m enabled energy, engineering, materials handling, plastics and rubber group, BTR to raise its profits to £106.7m pre-tax for the 12 months ended January 1 1983, an improvement of 18 per cent on the previous year's £90.1m.

The directors say the rise in profits, the group's 16th consecutive year of uninterrupted growth, expresses the resilient nature of BTR and its operations.

They are stepping up the final dividend from 4.5p to 5.25p which lifts the net total by 1.25p to 10p per 25p share. A scrip issue on a *one-for-three basis is* also proposed.

Although there will be challenges ahead, the directors say there will also be many opportunities to secure future growth.

They anticipate that the group's "all-weather growth" will continue and be further enhanced by any increase in the general level of world markets.

Most of BTR's gains in sales and profits in 1982 were achieved in Europe, where sales climbed by 22.9 per cent, from £325m to £399.4m and profits by £19.1m to £56.4m.

It is pointed out that these "rather better results" were achieved even in the traditional businesses, aided by the inclusion of Serck—the merger of majority of the Serck companies was completed during the year and they were all profitable by the end *of the year.*

In the Western regions sales increased by 8.9 per cent, from £134.8m to £146.8m, and profits rose to £38.9m, compared with £32.9m, an improvement of 18 per cent mainly due to currency fluctuations.

The effects of the downturn in the U.S. were felt through the year, but the programme of cost containment preserved margins even at the lower volumes.

The Eastern region suffered a substantial economic decline which worsened through the year. However, manufacturing rationalisation actions mitigated the effects of a drop in demand and of "*consequential* and severe" price competition.

The directors say the remedial actions taken, although helpful, were insufficient to protect "the hard won levels of profitability." On almost unchanged sales of £178.7m (£177.7m) profits declined from £27.2m to £23.5m.

The group's pre-tax surplus for 1982-83 included other income of £7.2m, against £6.3m, and was after deducting interest

Tax rose from £27m to £34.1m and minorities accounted for £4m (£6m). At the attributable level there was a surplus of £68.6m, a 20 per cent increase over last year's £57.1m.

Extraordinary items, net of tax, amounted to £9.9m (£4.1m).

Stated earnings per share improved by 20 per cent, from 23.9p to 28.6p.

The balance sheet shows *equity shareholders'* interest for 1982 at £317m (£260.6m). Net assets employed totalled £441.9m (£403m).

Allowing for current cost adjustments taxable profits for 1982-83 emerged at £96.6m, against £81m, and on the same basis earnings per share were up by 4.5p to 25p.

At the interim stage historical pre-tax profits were well ahead at £48.7m, against £43m.

See Lex

Second half rise for Hugh Mackay

IMPROVED SALES mix, a small price increase in June and the easing of sterling led to improved second half taxable profits at carpet manufacturer Hugh Mackay. The figure advanced from £338,000 to £390,000, but this failed to make up for first half losses and brought the total for 1982 to £321,000 compared with £444,000. Turnover for the 12 months edged ahead from £9.58m to £9.61m.

The final dividend is being maintained at 2.6p net per 25p share making a same again total of 4p. Earnings per share are given as 4.23p (5.97p) and the asset value as 91.9p (90.6p).

Investment income fell from £158,000 to £117,000, because of lower investments and reduced liquidity following *poor first half* trading. The directors point out however that by the year end a strong cash position had been restored.

Tax took £112,000 (£145,000). After a minority credit of £1,000 (£4,000 debit) and extraordinary credits of £52,000 (£79,000 debits)—for profits on the sale of land following the relocation of the extended Dragonville factory—the attributable profits emerged at £262,000 (£216,000). Dividends absorb £198,000 (same) leaving retained profits of £64,000 (£18,000).

The directors say that accelerating sales, particularly overseas in the later months, *caused an increase in* debtors at the year end, but the overall liquidity ratio still showed a strengthened position at that date.

Sales have continued to improve since the year end they *say, especially in* Europe and North America. In the year under review overseas sales contributed £2.46m (£2.41m) to turnover.

● comment

Hugh Mackay's surge to profitability following a lifeless first half highlights the volatility of its markets in contract carpeting for businesses, hotels and other public buildings. However, the easing of sterling gave a leg up to exports, which account for at least 30 per cent of turnover. Price increases in June and the full benefits of the consolidation of production at Dragonville contributed to an increase in trading margins to 6.9 per cent in the second half. Ordering continues to be brisk in the current year and the U.S. is expected to add to the higher contribution it made to exports in 1982 following new selling arrangements there. Analysts believe the company could better its 1981 pre-tax figure and reach £500,000 this year on the back of a general improvement in economic confidence in Europe and the U.S. The maintained dividend is uncovered but the company's balance sheet is strong. On a p/e of 16.25, the shares' real attraction is a *thinly* covered yield of 11.3 per cent. They rose 2p to 53p after the announcement.

KELSEY INDUSTRIES

Resolutions enabling Kelsey Industries to purchase its own shares have been approved. Accordingly, the further circular detailing procedures for the tender offer will be despatched to shareholders on March 14.

Further advance by TSB Tst. to £1.5m

ANOTHER successful year is reported by the TSB Trust Company, the insurance and unit trust arm of the TSB Group. Pre-tax profits in the 12 months to September 30 1982 advanced from £1.13m to £1.55m, of which £340,000 arose from the Channel Islands subsidiaries, against £290,000 *in the previous* year.

Considerable progress was achieved in all the major operating areas. In the life assurance sector, the value of the life fund rose from £243m to £345m with premium income of £90m and investment income of £20m, being received. The annual actuarial valuation showed a cumulative surplus of £2.9m.

The general insurance operations showed steady growth. Premium income on accident, sickness and unemployment insurances sold with TSB personal loans increased by £6.8m, bring the total premium income to £16.7m. Premium income on home insurances amounted to £2.3m.

Direct sales of unit trusts in the year amounted to £3.2m. Total funds under management exceed £346m, which makes the TSB Trust Group the seventh largest unit trust group. The Channel Islands subsidiaries had a good year with sales in the TSB Gilt Fund exceeding £14.5m. At the end of the year, the total value of offshore funds amounted to £58.3m.

The insurance broking operations, in its first period as part of the Group, being acquired with the takeover of UDT, generated premium income amounting to £2.3m.

Mr R. R. Jeune, in his chairman's statement, forecast the re-emergence of the TSB as a major force in the marketing of unit trusts. He was convinced that unit trusts should play a wider role in personal savings. He also indicated that over the next couple of years the group would be launching new life and general insurance products.

Scan Data back in the black

Computer supplier, Scan Data International, which trades on the USM, has produced pre-tax profits of £305,973 for the year to the end of November 1982, compared with losses last time of £370,737. A first dividend of 2p net is being recommended.

The current year has started well, says Mr Eric Crawford, the chairman, and he is confident that the group is well placed to take advantage of any improvement in the economic climate.

During the year the company succeeded in improving margins—an adequate return is expected *even if this slows sales growth.* Sales for the year pushed ahead from £3.45m to £4.34m.

After tax credits last time of £44,560 and dividends of £51,300 (£6,300) retained profits emerged at £254,673 against a previous deficit of £332,477.

Earnings per 10p share were 13.32p (losses 14.78p).

The balance sheet at year end shows shareholders' funds increasing from £603,793 to £875,966. Fixed assets rose from £1.12m to £1.28m.

RESULTS AND ACCOUNTS IN BRIEF

U.S. DEBENTURE CORPORATION (investment trust)—Dividend 4.27p net (3.92p) *making* 6.52p (5.92p) for the year to the end of January 1983. Net revenue £4.57m (£4.09m); earnings per share 6.62p (5.82p); net asset value 191.4p (153.1p); investment income—franked £5.48m (£5.06m); unfranked £1.98m (£1.53m); gross revenue £7.67m (£6.9m); corporation tax £649,000 (£489,000); overseas tax £247,000 (£204,000).

THOMAS JOURDAN (investment holding company)—Final 3.85p making 5.6p (5.25p) for year to January 1 1983. Turnover £8.15m (£5.02m). Pre-tax profit £504,000 (£247,000), after interest £94,000 (£43,000). Tax £178,000 (£8,000). *Extraordinary* debit £199,000 (£671,000). 1983 has started a little better than last year and both sales and profits are on target, say the directors.

ABWOOD MACHINE TOOLS—Turnover for six months ended September 30, 1982 £273,000 (£300,000). Trading loss £130,000 (£25,000). No tax (same). Minority credit £1,000 (nil). Loss per share 1.46p (0.74p on old capital).

FORWARD TRUST GROUP (subsidiary of Midland Bank)—Pre-tax profits for 1982 £35.5m (£29.5m); tax £33.4m (£37m) after exceptional tax credit of £23.6m (£43m); attributable profits £68.9m (£66.4m); transfer to special reserve £57.5m (£46.1m). If the UK is moving out of recession the chairman says that an improvement in profits could be expected.

CLYDESDALE BANK (subsidiary of Midland Bank)—Pre-tax profits for 1982 *£16.88m (£23.05m); tax £9.84m* (£10.27m); attributable profits £7.03m (£8.36m); dividends £2.13m (£1.93m); profit retained £4.9m (£6.43m). Shareholders' funds £123.74m (£114.83m). The directors say trading results were severely affected by the continuing economic recession which necessitated a substantial increase in bad debt provisions.

PRECIOUS METALS TRUST—*Profit* before tax for six months to the end of January 1983 £326,339 (loss £141,319 for 20 weeks to January 31 1982). Including investment dealing company £206,060 (losses £145,933); tax £166,069 (nil); earnings per share 1.34p (loss 1.18p); net asset value 154.9p (81.9p). Turnover £724,988 (£8.9m) representing proceeds from sale of dealing investments. No interim dividend (same).

TR ENERGY (manager of portfolio of investments in oil and gas industry)—Revenue before tax £30,682 (£298,844) for six months ended December 31 1982. The surplus was made up as to income from fixed asset investments £387,356 (£297,307), investment dealing profits £27,289 (£85,826 losses) and bank interest receivable £15,247 (£292,997); less management expenses £242,052 (£205,634), depreciation and depletion £32,737 (nil) and interest payable £123,421 (nil). Tax credit £9,952 (£122,972 charge), leaving £40,634 (£175,872). Earnings per 25p share 0.2p (0.88p). Net current liabilities at December 31 1982 £2.02m (£2.13m assets).

CHAMBERS & FARGUS (seed crusher, edible oil refiner and processor).—Pre-tax profits for six months to end-December 1982, £80,073 (£122,969). No interim dividend (0.5p). Turnover £4.64m (£4.38m): tax £41,638 (£63,944). Board says that throughout industry margins have been under severe pressure and, for the moment, forward prospects continue unfavourable. Its confidence in the long-term remains undimmed.

J. JARVIS AND SONS (*building and* civil engineering contractor)—Interim dividend 7.2p net (5.7p) for the six months to the end of September 1982; turnover £11.12m (£13.15m); pre-tax profit £202,927 (£275,096); tax £88,395 (£103,043); minorities £3,893 (£2,554).

HEAL & SON HOLDINGS (furnisher, *bedding* and furniture maker, textile converter)—Turnover £12.63m (£11.91m) for year to January 31 1983. Pre-tax loss £943,000 (£919,000 after exceptional debit £225,000). Also extraordinary credit last year of £356,000. No dividend (same)—half yearly preference payment due December 31 1982 was not paid. Associated costs of further rationalisation reflected in results. Company is at present subject to recommended offer from Habitat Mothercare.

SCOTTISH EASTERN INVESTMENT TRUST—Net asset value as at February 28 1983 at par 148.1p and at market value 150.7p.

SECURITIES TRUST OF SCOTLAND—*Net asset value at February 28 1983* at par 205.9p and at market value 213.9p.

ST ANDREW TRUST—Net asset value at par 270.7p and at market value 274.1p.

WINTERBOTTOM ENERGY TRUST—Net asset value at close of business on *March 11 1983 was 85.6p after deduc*tion of prior charges at par and 87.9p after deduction of prior charges at market value.

McLAUGHLIN & HARVEY (builders and civil engineers).—Final dividend 4.6p making 6.4p (5.75p) for 1982. Turnover £48.32m (£46.2m). Pre-tax *profit £1.6m (£1.33m).* Tax £681,000 (£222,000). Exchange gain £209,000 (£68,000). Extraordinary credit £684,000 (£117,000). Earnings per share 22.5p (27.3p).

C.S.C. INVESTMENT TRUST.—Final dividend 4.5p for 1982 making net total 7.75p (same). Gross revenue £298,452 (£293,481); revenue after charges £167,704 (£151,076); tax £53,039 (£54,039); dividends £127,834 (same). Valuation of investments £2.38m (£2.29m); break-up value of ordinary 25p shares 108.13p (116.7p).

ROSEHAUGH (investment holding company).—Turnover for the six months to the end of 1982 £7.56m (£10.19m); pre-tax profits £1.07m (£1.18m); associate losses £15,000 (profits £34,000); no tax (nil); earnings per share 14.5p (17.1p). At March 11 1983 borrowings amounted to £8.1m.

MINING NEWS

Lawtex cuts midway loss to £69,000

For the half year ended December 25 1982, results of Lawtex, manufacturer of clothing and umbrellas show an improvement on those of the previous year. Sales of £9.33m were 18 per cent higher, and there was a reduced loss for the six months, before extraordinary items at £69,000 compared with £128,000 for the corresponding *period.* There is no tax charge and no dividend will be paid.

Liquidity has improved with stocks down by £1m to £3.3m, borrowings and creditors reduced by £482,000 and debtors up by £280,000. The directors say this improvement has been achieved despite extraordinary expenditure on the group's reorganisation, which absorbed £193,000 in the half year.

Standard Life funds rise to £4.37bn

Significant advances in its business in the UK, Canada and the Republic of Ireland are reported by the Standard Life Assurance Company. Total funds of the group rose by more than *£800m to £4.37bn* during the 12 months to November 15 1982, with investments rising from £4.05bn to £5.66bn.

Premium income of the group during the year rose to £525m, against £463m, and investment income *from £340m to £420m.* Claims and expenses climbed £28m to £404m.

During the year £340m was available for investment in respect of UK and Irish funds.

Pancontinental makes new gold find at Paddington

BY KENNETH MARSTON, MINING EDITOR

WHILE wondering about the future of its long-established Jabiluka uranium prospect under the policies of Australia's new administration, Pancontinental Mining has come up with another promising gold discovery at its Paddington prospect near Kalgoorlie in Western Australia.

The new find, named Paddington II, lies about 120 metres *south of the initial Paddington I* and both deposits are similar in terms of ore grades and rock type. Being at shallow depths they are also amenable to mining by open-pit methods.

Mr Tony Grey, the Pancontinental chairman, said in Sydney that if the latest find is proved in the current drilling programme—due to be completed in May—production of up to 90,000 ounces of gold a year from 1m tonnes of ore could be under way in 18 months.

Meanwhile, further drilling has upgraded Paddington I where proven and probable ore reserves have been increased to approximately 6m tonnes. Preliminary mining studies indicate that 3.8m tonnes with a grade of 3.1 grammes gold per tonne could be mined at this deposit by open-pit methods.

Drill intersection widths at Paddington II so *far* appear to be less than those obtained at Paddington I, but the overall strike length of the deposit is greater and the mineralisation is still open at depth. Clearly there is the prospect of the two, fairly close, deposits being worked as one overall mining operation.

Pancontinental's Paddington property consists of a group of mineral claims and leases covering some 35 square kilometres. A 12½ per cent net profits interest is held by United Goldfields Corporation on an area of about half a square kilometre which covers the Paddington I and II discoveries.

Recently a depressed market, Pancontinental shares rose 6p to 80p in *London yesterday.* Those of United Goldfields Corporation were unchanged at 42p.

Durban and ERPM prospects

DESPITE THE improvement of $100 or so in the gold price since this time last year, the payment *of dividends from* Durban Deep and East Rand Proprietary Mines (ERPM) still seems a long way off.

Mr D. T. Watt, chairman of both of these old and marginal gold producers in South Africa's Barlow Rand group, said in his annual statement for both mines that dividends are unlikely this year in the absence of a sharp and sustained rise in the bullion price.

Both mines are troubled by the rapid rise in working costs over the past 12 months, and both need to conserve funds to finance vital development work which had to be postponed last year owing to the depressed gold price.

The mines were among those *which* took advantage *of* permission to protect themselves against possible declines in the gold price by hedging transactions on the futures markets.

These deals have now all been closed, but both companies will be watching the markets closely for further opportunities to boost profitability.

ERPM plans capital spending on development of the mine at a minimum of R21.5m (£13.4m) this *year.* That figure excludes any outgoings for the proposed Far East Vertical shaft system.

If the company goes ahead with this project, a further R8m will be required, and ERPM is currently trying to arrange back-up financial facilities to ensure that, once started, the project is carried through to completion.

Durban Deep expects to spend about R11m on capital projects this year.

Sherritt issue

CANADA'S Sherritt Gordon Mines, which is carrying a heavy debt, aims to raise C$62m (£28m) via a public offering of 3.58m shares at C$8.75 and the sale of a further 2.36m shares at the same price to Newmont Mining of the U.S. Sherritt is 40 per cent-owned by Newmont in which London's Consolidated Gold Fields has a stake of 25 per cent.

Rowntree Mackintosh

1982 Preliminary Announcement

	1982 £m	1981 £m
Turnover	770.5	688.0
Trading profit	55.9	48.0
Interest	5.4	9.3
	50.5	38.7
Share of associated companies' profits	—	1.2
Profit before taxation	50.5	39.9
Taxation	16.0	12.9
Profit after taxation	34.5	27.0
Minority interests and preference dividends	0.2	(0.1)
Profit attributable to ordinary shareholders before extraordinary items	34.3	27.1
Earnings per ordinary share	24.5p	21.4p

Notes:

1. The Board is recommending a final ordinary dividend of 5.9p per share (1981 5.3p) which together with the interim dividend of 2.9p per share (1981 2.7p) makes a total ordinary dividend of 8.8p per share absorbing £12.3m.
2. Sales and profits of overseas subsidiary companies have been translated into sterling at year end exchange rates.
3. Extraordinary items arising in 1982 are as follows:
   adjustment on translation of overseas net assets into sterling—credit £4.7m (1981—credit £4.9m)
   provision for rationalisation costs—debit £1.5m (1981—debit £3.0m)
   surplus arising on *disposal of shares in associated company* £2.1m (1981 Nil).
4. The results stated above have been prepared under historical cost conventions. Current cost adjustments for 1982 of £9.9m (1981 £5.8m) less the gearing adjustment credit of £1.2m (1981 £1.0m) will be applied to these results giving a current cost profit before taxation of £41.8m (1981 £34.4m) and current cost earnings per share of 18.3p (1981 17.0p). On this basis the Ordinary Dividend in respect of 1982 will be covered two times.
5. The 1982 results above are unaudited. Full accounts, incorporating an auditors report, will be posted to shareholders on 20 April 1983 and delivered to the Registrar of Companies for filing following the Annual General Meeting on 17 May 1983.

I am glad to be able to report that 1982 saw the Group continuing to make good progress.

The financial results demonstrate that the recovery that started in 1981 has continued in 1982. Trading profits were up 16% and pre-tax profits, helped by lower interest charges, reached £50.5 million. Earnings per share were up 14%. Sales, including the newly acquired company RPC Limited in the second half, rose by 12% to £770 million. All these figures point encouragingly in the right direction and it is our intention this trend should continue.

The Board has decided to recommend a final dividend of 5.9p per ordinary share, making a total for the year of 8.8p per share, an increase of 10%. The total dividend is covered nearly three times by historic cost earnings and twice on a current cost basis.

Our trading performance we regard as fully satisfactory given the effects of the recession in many of our markets and the intensity of competition worldwide, in part a consequence of the pressure of underutilized production capacity. Benefits came from less rapidly rising costs: stable cocoa prices and tight *internal cost controls played important parts.*

In the UK the Confectionery Division increased sales volume and trading profits in a market that was highly competitive, particularly in the chocolate and chocolate biscuit count lines sectors where considerable growth in volume occurred. There was some loss of market share in chocolate confectionery, but none in sugar confectionery. Rowntree Mackintosh Sun-Pat, our UK grocery business, had a highly successful year: sales volumes and trading profit were both up, and the market shares of its two principal brands showed small but important gains. Lower UK cost inflation and a weaker pound helped recovery of third *party exports;* sales volume was up and trading margins returned to more acceptable levels.

In Europe, where our strategic objective of building sustainable market positions remains unchanged, trading conditions were difficult, especially in Germany. Despite this the European Division improved its trading results and maintained sales volumes. Rates of return are still far too low but we believe that with the exception of Germany, where competition continued to be particularly fierce, there is a discernible upward trend in financial performance.

The Overseas Division (which is responsible for our trading companies in Australia, Canada, Ireland and South Africa) held sales volume and trading profit close to 1981 achievements, a sales weakness in Canada being balanced by a strong performance in South Africa.

We continued to invest strongly in the future of our businesses. Expenditure on brand advertising was up nearly 20% on 1981 and pricing policies were firmly directed towards providing good competitive consumer values to sustain and build the strengths of our brands. Capital expenditure in 1982 was over £10 million more than in 1981 at £42 million, making a total of nearly £200 million over five years. In 1983 we plan to spend over £45 million, once again concentrating heavily on projects which improve efficiency and reduce costs. Expenditure on this scale is essential if the Group is to remain competitive and adequately profitable in the long run. Last year we were able to carry through these programmes of investment and still eliminate our net borrowings.

In last year's report we spelled out the strategies the Board proposed to follow in order to return to a period of growth. Within our existing businesses we saw renewed growth as coming from "single minded attention to first-principles; concentration of marketing and technological resources behind brands of proven distinction: a disciplined and resourceful economy in the use of cash; and persistent pressure for cost reductions." These strategic fundamentals are being vigorously pursued in all our trading operations, and the Board will continue to press operating managements to improve their returns on assets, but not, and this we regard as of high importance, at the expense of market positions that have been *painstakingly* built up over *years* and *are* the *ultimate source* of the Group's earning power.

We also said last year that we would expect some part of future growth to come from acquisitions "both to further our mainstream confectionery strategy...and to grasp opportunities, of significant existing and potential scale, to broaden our product range by building up positions of strength in new markets." 1982 saw two important acquisition moves. In June we completed the purchase of RPC Limited, a crisps and snack foods company with annual sales of £25 million. It performed well in the second half of 1982 and contributed to the results better than had been expected. Later in the year we announced our intention of acquiring the Laura Secord company in Canada. This purchase (which is subject to approval by the Canadian Foreign Investment Review Agency) will increase our earnings from North America and take us into the specialist retailing sector of the confectionery market. Expansion in the USA remains an important objective and relevant possibilities continue to be carefully assessed.

The success of the Group now and in the future depends in the end on the skill and hard work of very many Rowntree Mackintosh people and I should like to take this opportunity of expressing, on behalf of the Board, its thanks for what they achieved in 1982. They have shown the skill, imagination and determination needed to perform well in economic circumstances as demanding as they have ever been. Your Board hopes shareholders are as encouraged as we are by the evidence of progress in this Annual Report.

KENNETH DIXON
Chairman

KIT KAT ✻ QUALITY STREET ✻ YORKIE ✻ SMARTIES ✻ POLO ✻ BLACK MAGIC ✻ GOOD NEWS ✻ FOX'S GLACIER MINTS
ROWNTREE'S PASTILLES ✻ AFTER EIGHT ✻ WEEK-END ✻ AERO ✻ ROLO ✻ DAIRY BOX ✻ TOFFO
✻ MATCHMAKERS ✻ JELLYTOTS ✻ WALNUT WHIPS ✻ DRIFTER ✻ BLUE RIBAND ✻ BREAKAWAY
CREAMOLA ✻ PAN YAN PICKLES ✻ TABLE JELLIES ✻ SUN-PAT PEANUT BUTTER ✻ CHEDDAR SPREAD ✻ RILEYS CRISPS

BIDS AND DEALS

Kwik-Fit bid opposed by pension funds

By Ray Maughan

A CASE COMMITTEE of the National Association of Pension Funds was hurriedly convened yesterday to make known its opposition to the intended bid by Kwik-Fit (Tyres and Exhausts) for Crest International Securities.

The committee comprises representatives of the Post Office Staff Superannuation Fund, Imperial Group Pension Fund and N. M. Rothschild Asset Management. Other major institutions known to have expressed initial disquiet at the terms of the £5.2m equity bid include funds controlled by Ivory and Sime and by Baring Brothers.

The case committee members have been endeavouring to amplify their opposition to the deal, while recommending that other NAPF members make their own assessment of the bid, in the short time which exists before the time limit on lodging proxies expires today in front of the extraordinary meeting on March 22.

Although Mr Tom Farmer, the chief executive of Kwik-Fit has explained that the offer for the £4.45m Crest portfolio has been pitched on terms indicated by independent professional advisors, the institutions are opposing the bid which would take a secondary portfolio out at a premium to net worth. A potential conflict of interests which arises through cross-shareholding at board level would be resolved by the successful conclusion to the offer.

Triventure to raise £2.6m for new hotel

Triventure, the management company which runs two of the funds set up under the Business Start Up Scheme, is seeking to raise £2.625m from private investors to provide part of the equity to build a new 214 room hotel linked to the conference centre in Harrogate.

A total of 1.75m shares will be issued in Harrogate International Hotel at £1.50p each and investors will be able to claim tax relief under the Business Start Up Scheme.

The project failed to get off the ground last October with a different capital structure. Almost £2m was subscribed but this fell short of the minimum required. Additional loan capital has now been raised and the founders have increased their cash subscription to £676,500.

A spokesman for Triventure said last night that the terms had been improved and that "people are more likely to be interested at the end of the tax year than in October."

Satellite TV in talks for fresh funds

Satellite Television, Britain's first satellite broadcasting company, said yesterday that discussions are taking place with a number of potential investors with a view to broadening its industrial shareholder base and raising further funds for the development of the service.

One of the groups with which it has had preliminary discussions is Mr Rupert Murdoch's News International group.

British Telecom has confirmed that Satellite Television has been allocated one of the British transponders on the European Comunications Satellite, ECS-1, due to be operational by the end of 1983. This, Satellite Television said yesterday, would allow it to continue its long-term development of its pan-European television service.

Eight industrial companies, including Ferranti and Ladbroke, subscribed for stock in a £4m placing of convertible unsecured loan stock last year.

Satellite Television said yesterday that its latest fund raising exercise was being dealt with by Barclays Merchant Bank but so far talks had only reached a preliminary stage with a number of parties.

Cope terms 'generous'

Dowable, the privately-owned consortium mounting a £23.7m bid for Cope Allman, the packaging, engineering and leisure group, yesterday asked shareholders not to be influenced by Tuesday's announcement that a counter-offer had been made.

In its formal offer document, the consortium repeated that it felt the 60p a share offer was "generous." On the stock market, Cope Allman's share price fell 1p on the day to close at 61½p.

Dowable comprises four groups: British Car Auctions, headed by Mr David Wickins; Hawley Group, headed by Mr Michael Ashcroft; Lin Pac, headed by Mr Evan Cornish; and two Robert Fleming investment trusts. It was set up in July last year with the specific aim of mounting a bid for Cope Allman.

Speaking for the consortium, Mr Wickins said that Dowable's first move, on gaining control of the company, would be "to instigate a thorough investigation" of Cope Allman's businesses."

LADBROKE INDEX
based on FT Index
667-672 (−6)
Tel: 01-493 5261

Battle for board seats halts Westminster Property's AGM

BY DAVID DODWELL

THE ANNUAL meeting of the *Westminster Property Group* was adjourned amid pandemonium yesterday as the company fought off a bid by Mr Jim Raper to win seats on the board.

The meeting came just tdays after an appeal by the Stock Exchange Panel *on* Takeovers and Mergers for a postponement. The Panel had said the Stock Exchange council would consider suspending the listing of Westminster if Mr Raper or his nominees won seats on the board.

After more than an hour of sometimes fierce interrogation at the packed meeting, Mr Patrick Ravenhill invoked discretionary powers vested in him as chairman to adjourn the meeting when it became clear that Mr Raper had enough votes to win majority backing for his bid to win seats on the board for himself and nominees of his companies.

Controversy at the annual meeting first became possible a month ago when St Piran, the mining and house building group which *is* part of Mr Raper's master company Gasco Investments of Hong Kong, bought a 23.61 per cent stake in Westminster.

This was quickly followed by a successful tender offer by Mr Raper for a further 6.38 per cent of Westminster's shares.

At that time, Mr Ravenhill wrote to shareholders saying the board "has no intention of inviting Mr Raper or any nominee of his or of St Piran's" to become a director.

"Shareholders should be aware," he said, "that Mr Raper has been criticised by the Panel on Takeovers and Mergers as a person unfit to be a director of a public company."

A full-blown battle became inevitable early this week when it was learnt that Mr Raper had nominated five people for places on the Westminster board. Two vacancies had arisen because of resignations.

The Stock Exchange Takeover Panel advised at that point that yesterday's annual meeting should be postponed so that shareholders would have an opportunity to be "given the full facts" about the last minute nominations. The Westminster board decided to press ahead despite this *warning*.

Of the 48 shareholders present at the meeting—a usual attendance is less than 10—a group of 25 held blocks of 10 shares each of which had been bought recently from Mr Raper. This group voted consistently with Mr Raper and St Piran.

A detailed calculation by Mr Ravenhill of shares liable to be voted at the meeting—either as proxies or in person—made it clear at the outset that Mr Raper's shareholdings were large enough to win any vote.

In the face of imminent success Mr Raper in winning nominations to the board, Mr Ravenhill took the last resort option of adjourning the meeting.

He added that the company was conducting inquiries into the possibility of a concert party having been mounted to win control of the company. All shareholders with more than 50,000 shares have been contacted. *The inquiries were* progressing but not yet complete, he said.

Mr Raper said after the meeting: "Shareholders have been denied the right to vote on the agenda and on the election of directors.

"*It is improper* of the Stock Exchange to intimidate shareholders in this way," he added.

ICI fertiliser buy out

ICI is to buy out its partner in Hargreaves Fertilisers. It will issue 965,471 new shares—worth £3.84m at yesterday's share price —to Wetherby, West Yorkshire-based industrial holding company, Hargreaves Group, for its *50 per cent holding*.

Hargreaves said yesterday that the concentration of the fertiliser industry and the entry of foreign competition had decreased its role and persuaded it to pull out. The fertiliser activities have been jointly owned with ICI since 1966.

Audited accounts show that Hargreaves' stake had a net tangible asset value of £3.27m at December 31 1982 while it contributed £250,000 to net profits in the year.

The sale will not have any significant effect on Hargreaves Group's profits in the short term, the company said. It intends to retain the ICI stock for the short term pending reinvestment.

PEARSON LONGMAN

Acceptances of the recommended cash offer on behalf of S. Pearson and Son for all issued 5¼ per cent cumulative preference shares and 7 per cent cumulative preference shares in Pearson Longman not already held by the Pearson group have been received as follows:

- For the 5¼ per cent preference shares, acceptances in respect of 140,124 shares (81.6 per cent of shares subject to offer) representing 57.6 per cent of the holders.
- For the 7 per cent preference shares, acceptances in respect of 98,554 shares (56.9 per cent *of shares subject to offer*) representing 58.4 per cent

The offers have been extended until March 29 1983 or such later date as Pearson decides.

Bifurcated Engineering suspended

LOSS-MAKING Bifurcated Engineering called a halt to trading in its shares yesterday pending an announcement. The request for a suspension came after the shares had risen 4p to 34p during the morning session.

Bifurcated, a manufacture of rivets and other cold formed products, made a loss of £292,000 in the six months to June 30 1982 following a pre-tax loss of £1.04m in the previous 12 months. Again the interim dividend was passed. The previous year a single payment of 0.35p had been declared.

During last year the company had been in talks to acquire Worcester Engineering, a manufacturer of central heating boilers, but after nearly six months of talks, negotiations were called off in November.

__Notice of Redemption and Termination of Conversion Rights__

Monsanto International Finance Company

4½% Guaranteed Sinking Fund Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of *October 15, 1965 under which the above-designated Debentures are issued, $1,158,000 principal* amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on April 15, 1983 through the operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption

$1,000 COUPON DEBENTURES BEARING THE PREFIX LETTER M

61	1541	3238	4135	5194	6296	8591	10443	11409	12746	14651	15919	19013	21237	22397	23149	24120
62	1542	3243	4187	5196	6302	8592	10445	11412	12750	14671	15998	19016	21245	22411	23151	24147
70	1545	3297	4188	5196	6428	8624	10446	11423	12762	14673	16054	19017	21277	22412	23157	24164
129	1562	3304	4193	5200	6448	8692	10447	11462	12796	14714	16055	19147	21341	22431	23173	24168
133	1584	3317	4203	5216	6449	8695	10457	11463	12852	14715	16151	19166	21368	22436	23174	24205
135	1628	3321	4205	5227	6450	8696	10463	11473	12860	14718	16557	19169	21424	22443	23177	24216
198	1632	3322	4206	5285	6496	8795	10472	11474	12861	14719	16607	19170	21449	22444	23205	24253
271	1643	3334	4227	5300	6497	8807	10473	11475	12862	14720	16612	19219	21455	22461	23236	24266
315	1667	3406	4235	5303	6545	8820	10474	11476	12868	14730	16616	19230	21584	22464	23350	24267
365	1686	3407	4237	5312	6605	8828	10477	11511	12917	14755	16656	19255	21591	22465	23352	24268
387	1721	3424	4244	5318	6621	9030	10479	11515	12930	14758	16660	19265	21592	22521	23357	24269
408	1725	3425	4247	5326	6637	9045	10486	11516	12981	14789	16661	19289	21612	22522	23358	24270
434	1775	3426	4268	5329	6660	9054	10487	11596	13014	14790	16686	19525	21903	22532	23361	24275
435	1776	3432	4335	5331	6698	9059	10514	11630	13019	14806	16688	19534	21904	22546	23368	24280
452	1805	3448	4337	5378	6701	9101	10515	11660	13178	14947	16758	19545	21905	22551	23370	24282
536	1884	3464	4339	5381	6703	9112	10556	11732	13258	14985	16802	19581	21906	22591	23371	24283
539	1892	3465	4376	5410	6707	9130	10574	11733	13274	15024	16936	19582	21909	22592	23372	24284
562	1914	3483	4396	5411	6784	9139	10608	11815	13303	15025	16958	19584	21915	22603	23395	24316
588	1963	3506	4397	5416	6814	9163	10616	11857	13310	15108	17111	19587	21919	22604	23401	24318
595	2012	3515	4406	5437	6863	9164	10627	11901	13355	15135	17721	19694	21920	22624	23404	24321
596	2013	3519	4434	5438	6880	9172	10628	11912	13426	15139	17770	19792	21922	22628	23405	24322
598	2029	3528	4475	5441	6882	9297	10632	11913	13457	15141	17771	19793	21940	22640	23442	24357
652	2034	3542	4525	5463	6901	9322	10656	11932	13468	15151	17792	19806	21964	22648	23482	24358
691	2104	3548	4549	5489	6907	9350	10657	11943	13475	15152	17793	19845	21990	22649	23483	24376
693	2105	3584	4562	5496	6916	9408	10659	11990	13486	15163	17896	19858	21991	22655	23484	24390
698	2106	3617	4586	5497	6919	9409	10662	12003	13487	15164	18025	19859	22014	22660	23486	24391
728	2158	3633	4587	5505	6920	9535	10665	12004	13492	15182	18261	19881	22023	22672	23495	24392
735	2166	3634	4588	5523	6925	9673	10667	12108	13527	15191	18300	19890	22024	22673	23497	24395
761	2167	3635	4597	5560	6929	9677	10668	12109	13577	15195	18338	19922	22050	22679	23498	24397
764	2168	3636	4700	5565	6933	9786	10697	12117	13625	15198	18339	19940	22059	22680	23531	24515
791	2199	3671	4704	5568	6934	9787	10703	12144	13703	15204	18342	19941	22060	22691	23546	24516
793	2211	3674	4713	5587	6948	9795	10704	12150	13713	15205	18419	19953	22102	22707	23547	24522
981	2237	3676	4714	5599	6957	9804	10742	12157	13724	15213	18422	19955	22106	22717	23587	24523
982	2239	3683	4727	5605	7009	9848	10743	12158	13725	15214	18443	20048	22107	22718	23590	24524
1013	2348	3695	4728	5648	7010	10006	10745	12159	13735	15349	18515	20087	22121	22731	23591	24525
1048	2349	3704	4729	5736	7037	10016	10746	12164	13779	15372	18516	20242	22123	22736	23669	24529
1072	2385	3750	4842	5737	7041	10035	10762	12177	13780	15391	18517	20256	22127	22740	23682	24530
1073	2462	3788	4843	5740	7144	10076	10769	12178	13788	15392	18518	20257	22129	22742	23686	24531
1085	2463	3844	4844	5744	7248	10080	10770	12194	13826	15394	18615	20288	22130	22745	23711	24532
1120	2550	3851	4851	5745	7452	10090	10797	12203	13840	15403	18616	20334	22131	22746	23759	24538
1123	2588	3852	4852	5748	7474	10096	10836	12222	13841	15404	18655	20340	22163	22769	23851	24539
1128	2591	3853	4853	5750	7512	10102	10844	12223	13953	15436	18690	20409	22164	22785	23852	24540
1139	2598	3856	4854	5763	7517	10104	10847	12244	14076	15437	18691	20410	22165	22786	23902	24556
1142	2605	3893	4860	5792	7518	10159	10850	12250	14078	15519	18692	20411	22174	22787	23930	24557
1143	2644	3903	4881	5793	7552	10234	10851	12254	14150	15522	18707	20448	22194	22788	23932	24652
1160	2647	3931	4894	5878	7574	10346	10871	12256	14155	15547	18708	20449	22205	22807	23933	24653
1168	2693	3948	4895	5898	7578	10348	10883	12262	14156	15548	18771	20450	22217	22812	23934	24687
1178	2694	3949	4897	5906	7630	10352	10890	12309	14160	15593	18772	20534	22218	22817	23943	24717
1189	2701	3971	4899	6014	7674	10379	10894	12310	14161	15598	18797	20555	22219	22854	23944	24740
1193	2708	3979	4903	6027	7789	10386	10895	12338	14162	15740	18816	20785	22220	22904	23957	24744
1195	2715	3987	4904	6028	7792	10389	10929	12348	14169	15741	18817	20830	22222	22905	23968	24745
1236	2734	4015	4911	6064	7997	10390	10951	12419	14211	15742	18835	20844	22224	22928	23976	24769
1270	2797	4028	4963	6084	8001	10392	11083	12432	14224	15760	18868	20892	22225	22977	23977	24773
1289	2802	4031	4964	6098	8089	10399	11101	12451	14225	15763	18869	20893	22227	22978	23979	24788
1322	2814	4043	4967	6099	8094	10400	11140	12454	14238	15766	18890	21019	22247	22989	23980	24797
1354	2825	4044	4968	6100	8282	10402	11202	12472	14264	15776	18891	21065	22248	22990	23981	24817
1384	2873	4050	4969	6124	8303	10404	11203	12473	14265	15777	18895	21066	22249	23009	24007	24831
1385	2944	4065	4997	6129	8381	10405	11204	12500	14266	15778	18905	21087	22257	23017	24011	24846
1394	3004	4089	4998	6183	8422	10407	11231	12502	14304	15787	18906	21088	22258	23030	24023	24849
1402	3012	4090	5009	6199	8489	10411	11242	12517	14339	15847	18907	21127	22311	23034	24028	24855
1420	3063	4095	5011	6201	8554	10412	11298	12518	14340	15859	18915	21134	22315	23065	24057	24856
1421	3111	4097	5042	6203	8560	10414	11346	12566	14541	15860	18916	21154	22316	23082	24067	24943
1460	3112	4101	5069	6214	8561	10417	11347	12584	14553	15882	18930	21171	22317	23083	24069	25001
1468	3115	4103	5105	6231	8563	10419	11348	12585	14554	15883	18932	21181	22353	23106	24087	25002
1487	3137	4106	5171	6264	8564	10426	11363	12607	14576	15884	18933	21191	22381	23120	24088	25007
1493	3210	4111	5173	6265	8565	10428	11405	12669	14622	15885	19011	21219	22388	23140	24093	25008
1494	3212	4112	5190	6268	8571	10431	11406	12734	14629	15888	19012	21220	22395	23148	24098	

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the **Receive and Deliver Windows of Citibank, N.A.**, Trustee under the Indenture referred to above, **111 Wall Street — 5th floor, New York, New York 10043** or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in **Amsterdam, Brussels, *Frankfurt* (Main), London (Citibank House)**, and ***Paris** and the main office of **Kredietbank Luxembourg*** S.A. in Luxembourg, the Company's Paying Agents. Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a dollar account maintained by the Holder with, a bank in The City of New York. On the Redemption Date such Debentures shall become due and payable at the Redemption Price and on and after such date, interest on the said Debentures will cease to accrue and the coupons for such interest shall be void.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceeding paragraph on the said date together with all interest coupons maturing subsequent to the *Redemption Date. Coupons due April 15, 1983* should be detached and presented for payment in the usual manner.

CONVERSION OF DEBENTURES INTO COMMON STOCK

The above specified Debentures called for redemption may be converted at the option of the holders thereof at said **Receive and Deliver Windows of Citibank, N.A.**, in New York and at the principal offices of Citibank, N.A. in **Amsterdam, Brussels, Frankfurt (Main), London (Citibank House)**, and **Paris** and the main office of **Kredietbank Luxembourg S.A.** in Luxembourg, into *Common Stock of Monsanto Company upon surrender of such Debentures*, with all unmatured coupons attached, at any time until the close of business on said redemption date, at the conversion price of $85 per share of Common Stock. ON SAID REDEMPTION DATE SUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL DEBENTURES BEING REDEEMED AS SPECIFIED ABOVE. Upon conversion of any Debenture, no adjustment on account of interest or dividends will be made and no fractional shares of Common Stock will be issued.

MONSANTO INTERNATIONAL FINANCE COMPANY
By: CITIBANK, N.A. as Trustee

March 16, 1983

Extracts from the Chairman's Statements

Durban Roodepoort Deep, Limited
East Rand Proprietary Mines, Limited

(Both companies incorporated in the Republic of South Africa)
Members of the Barlow Rand Group

***"The early part of 1982 was a period of great anxiety for both companies, due to the erratic and unpredictable behaviour of the gold price. Looking ahead – the grave danger inherent in cost increases of the magnitude sustained in 1982 must be recognised by all concerned, particularly government, the employee associations and trade unions."* – D.T. Watt**

Gold

In mid-February, 1983 gold was trading in the region of U.S. $500 per ounce, which in terms of tha prevailing U.S. Doller/Rand exchange rate, corresponded to a price of approximately R17 300 per kilogram. World bullion markets continue fo be influenced by the traditional factors which have been of importance in the recenf past. I refer here to the state of the US economy, the western world economy in general, the volume of Soviet sales and the supply demand relationship. A further consideration of great importance emerged last year and this is the fear of major defaults occurring in the international banking sector. Very recently the declining oil price has emerged as e factor capable of exerting significant influence on the western world economy and also the banking sector.

Late in February, 1983 the confusion about the future price of oil appeared to be one of the underlying reasons for the dramatic fall in the gold price. In view of these developments one cannot predict tha exact course which the gold price will take but it would nevertheless seem reasonabla to expect that the average price received in 1983 will be great er than that for tha year juat ended. However, it is certain that there will be fairly substantial fluctuations about the rising mean.

Personnel

I regret to report that very little progress has been achieved by tha mining industry in connection with implementation of the recommendations of the Wiehahn Commission regarding the employment of suitably qualified persons regardless of recial classification.

However, certain developments at the year end lead me to believa that some progress in regard to specific areas of employment may be achieved in 1983.

Embryo unions catering exclusively for black mineworkers emerged during the year. The companies have granted access, for recruiting purposes, to certain unions, but are not aware as to how successful these activities hava been. No approaches, in connection with recognition agreemants with eny unions catering exclusively for black employees, have as yet been received by the companies. Developments in this area will certainly require e great deal of managements' attention in the year ahead.

The evailability of labour, both skilled and unskilled, was adequate during the yaar.

Gold hedging

Both companies antered into gold hedging operations for the first tima during the third and fourth quarters of the year under review. All hedging operations took tha form of forward sales on a principal-to-principal basis with e bullion dealer. Tha extenf of fhe forward sales transactions undertaken was however very limited. All positions opened during fhe course of the year were closed out before the year end. In tarms of tha belief that tha gold price is in a long term rising trend I do not axpect thaf e regular and significant amounf of hedging will take place in the immediata future. Thara will however be fluctuations in the fold price about fhe rising mean and these fluctuations mey present profitable hedging opportunities. The companies will therefore continue to monitor developments in the gold market in order to identify hedging opportunities which may be utilized to enhance profitability.

Durban Roodepoort Deep, Limited

Summary of results

	Year ended 31st December 1982	1981
Operating results		
Ore milled – tons	2 350 000	2 245 000
Gold produced – kilograms	8 373	8 248
Yield – grams per ton	3,56	3,67
Gold price received		
– Rands per kilogram	13 208	12 997
– U.S. Dollars per ounce	380	460
Financial results		
Working revenua	R110 838 000	R107 460 000
Working revenua per ton milled	R47,17	R47,87
Working expenditure	R97 748 000	R83 374 000
Working expenditure per ton milled	R41,60	R37,14
Working profit	R13 090 000	R24 086 000
Working profit per ton milled	R5,57	R10,73
Pyrite revenue	–	R20 000
Total working profit	R13 090 000	R24 106 000
Stata assistance claimed	R2 284 000	–
Other income (net)	R2 541 000	R2 130 000
Taxation	–	R985 000
Profit after taxation	R17 915 000	R25 251 000
Profit appropriations		
Mining assets (net)	R18 314 000	R21 823 000
Dividends	–	R4 302 000
Transfer to general reserve	R4 000	R7 000
Retained profit at 31st December, 1982	R10 868 000	R11 271 000

The most significant feature of the year ended 31st December, 1982 was the erratic and unpredictable behavious of the gold price. These variations in the gold price had a major impact on the company's financial position. The early part of the year was a particularly difficult period. However, the position improved towards the year end when the gold price started to increase.

In reviewing the results for the year just completed, I must point out that the rata at which costs have continued to increase is a most alarming feature and likely to have a very serious impact on future profitability. Tha grave danger inherent in cost increases of the magnitude sustained in 1982 must be recognised by all concerned, particularly government, the employee associations and trade unions.

The average price received during the first quarter of the year was U.S. $367 per ounce (R11 663 per kilogram), representing a decrease of 20% on tha average price in dollar terms received for the year 1981. At the beginning of April, 1982, the directors were of the opinion that a further decline in the gold price was indicated and this necessitated drastic action to conserve the company's limited financial resources. The capital expenditure programme, already restricted to the essential components of the plan to ensura continuity of mining operations, had to be reassessed. Following this examination the capital programme was thereafter confined to those projects which were of immediate strategic importance. In addition, cost control procedures were infensified.

In epite of the problems experienced in tha early part of tha year, I am pleased to report *that the resulf of operations af the company's mine, and the morale amongst employees* have been most satisfactory. The fonnage of ora milled increased for the second successiva year, more than compensating for tha lower yield and resulted in tha total gold production tor 1982 being somewhat greater than that echieved in 1981. Managemenf's success in restricting the effect of inflation on unit costs, to an increase of only 12% on the corresponding figura for 1981, is most noteworthy. However, these efforts, edmirable as they hava been, are totally ineffectiva in countering the punitive increases in administered prices with which the mining industry has been inflicted.

The improvement in the gold price in Rand terms received by the company over the second half of tha year, and the expectation of a sustained improvement in the immediate futura, should allow an easing of some of the constraints on capital *expenditure imposed during 1982. It is clearly essential, from the point of view of the long* term future of tha mine, that the mora importanf capital projects be recommenced as soon as possible.

Operations

The ore milled during the year totalled 2 350 000 tons, an improvement of 105 000 tons over tha previous year's figure and 211 000 tons more than was achieved in 1980.

The policy of reducing stoping operations at depth on Kimberley Reef and expanding operations on Main and South Reefs continued during the year under review. Tha sources of ore from the various reefs are now fairly well balanced and the decline in the grada of or milled over recent years appears to have been arrested.

The mina was abla to increasa gold production by 125 kilograms to 8375 kilograms because of the higher rate of milling and improved extraction and operational efficiencies being achieved by the metallurgical plant. Further improvements in extraction efficiencies, as a result of renovations being carried out in fhe metallurgical plant, are expected during 1983. The operating plan for 1983 calls for a modest increase in tonnaga milled at an average yield of approximately 3,4 grams per ton.

Financial results

Total working revenua for the year was R110,8 million, compared to R107,5 million achieved in 1981. The averaga gold price received by the company for the year was U.S. $380 per fine ounca, 17% lower than the 1981 price received of U.S. $460, but because of a weakening in the Rand/U.S. Dollar exchange rate from R1 = U.S. 1,1371 to R1 = U.S. $0,9243 the price received per kilogram in Rand terms was almost 2% higher, at R13208 compared with R12997 last year.

The profits arising from hedging transactions have been included in the total revenua earned.

Total working expenditure rose by 17% from R83,4 million in 1981 to R97,7 million. Due to the higher tonnage of ore milled unit costs rosa by only 12% from R37,14 per fon milled in 1981 to R41,60 per ton milled during the year under review. The success in containing inflationary increases in costs was largely attributable to a formal cost saving programme instituted during 1982. This programma will be continued during 1983.

Total working profit achieved was R13,1 million compared with R24,1 million in 1981. It is most important to note that this declina in profit is due exclusively to the increase in working expenditure.

Other incoma increased to R2,5 million, as a result of the higher rates of interest being earned on he company's short term deposits. The company did not incur any liability for taxation for the year ended 31st December 1982, as the level of capital expanditure exceeded working profits. Profit before appropriations was R17,9 million compared with R25,2 million in 1981.

Expanditure on mining assets and e transfer to general accounted for appropriations amounting to R18,3 million, leaving a deficit for tha year of R0,4 million. After funding this deficit, the retained profit was R10,9 million af 31sf December, 1982.

Capital expenditure

The company enfered the 1982 financial year with a heavy capital expenditura programme designed fo ensura the continuation of mining operations in fhe fufure, and a somewhat bleak forcast of future cash flows. Because of the poor outlook for the gold price ef tha beginning of tha second quarter of fha year, and the consequent impact on working profits, it was evident that the capital programma would impose a severe drain on the company's limited cash resources. It was therefora decided fo suspend certain projects which were either not of a strategic natura or making a significant and immediate contribution to production. Furthermore it eppeared fhat, as e safety measure, tha directors needed powers fo borrow an increased emount of funds, to bridga shortfalls in liquidity which might occur owing fo timing differences between cash outflows and receipt of revenue from gold sales and Stafe assistance payments. As e consequence, members were asked to pass an ordinary resolution, at e general meeting held on 8th June, 1982 increasing the borrowing powers of directors from R4 million to R30 million. Tha resolution was passed unanimously. no borrowings were mada against this facility during the year.

The reduced capital programme involved expenditure on improvements to tha matallurgical plant, tha purchase and installetion of emergancy electric power generabon plant, development of a new pump station at No. 5A shaft, development in the Roodepoort-Saxon fault area and continued, although reduced, expenditure on the new "D" Hostel complex. The latter project has not been completad but will be partially occupied during 1983.

The rate of spending on capital projects is critically dependent on financial resources and will be reviewed from time to time in the light of gold prices received and projected future trends. however, during the coming year capital expenditure is unlikely to be less than R11 million and improved gold revenue will allow certain additional and essential projects to be undertaken.

Important projects which must proceed incuda the recommissioning and reestablishment of existing shafts and winzes, continued construction of 5A shaft pump station, establishment and equipping of the Roodepoort-Saxon fault area and continued improvements to the metallurgical plant. Should the company's financial position improve sufficiently, the completion of "D" Hostel and exploration of the southern portion of the lease area will be continued. Both of these projects were suspended during 1982

Dividends

The board of directors decided not to declare dividands during the year under review, in the light of the poor profit performance during tha first half of the year and after considering the cumulative position for the year as e whole. The accumuletion of sufficient funds to enable completion of the essential capital expenditura programme remains the paramounf priority of the board, end unless the gold price received averages a level significantly in excess of R16000 per kilogram, equivalent to U.S. $458 per ounce, at the current exchange rate of R1 = U.S. $0,92 there is little prospect of a dividend distribution in 1983.

East Rand Proprietary Mines, Limited

Summary of results

	Year ended 31st December 1982	1981
Operating results		
Tons milled	2 656 000	2 624 000
Gold produced – kilograms	10 693,7	11 632,3
Yield – grams per ton	4,03	4,43
Gold price received, average –		
Rands per kilogram	13 399	12 971
U.S. Dollars per fina ounce	383	463
Exchanga rate, U.S.$ per R	0,92	1,15
Financial results	R	R
Working revenue	144 496 000	151 165 000
Working revenue par ton milled	54,40	57,61
Working expenditura	152 194 000	132 549 000
Working expenditura per ton milled	57,30	50,52
Working (loss)/profit	(7 698 000)	18 616 000
Working (loss)/profit per ton milled	(2,90)	7,09
State assistance claimed	18 687 000	8 409 000
Other income, net	6 560 000	10 047 000
Taxation and State's share of profif	–	146 000
Profit after taxation, Stata's shara of profit end forfeited dividends	17 549 000	36 926 000
Profit appropriations		
Mining assets	17 551 000	46 322 000
Mining assets – net	20 926 000	49 609 000
Deduct: Capital expenditure not appropriated	3 375 000	3 287 000
General reserva (reversed)/provided	(2 000)	6 000
Dividends	–	2 772 000
Retained surplus at 31st December	–	–

The early part of 1982 was a period of great anxiety for your company. Fortunately, developments over the latter half of the year brought some relief and by the year end managemant was in a positioo to face the futura with more confidence than at any time during the previoua eighteen months. However, in reviewing the results for the year just completed I must point out that tha rate af which costs have continued to increase is a most alarming feature and likely to have a very serious impact on future profitability. The grave danger inherent in cost increases of the magnitude sustained in 1982 must be recognised by all concerned, particularly Government, the employee associations and trade unions.

Decreasing gold prices coupled with production problems causad a substantial cash outflow during the first quarter. At tha end of March tha gold price outlook for the remainder of 1982 was extremely bleak and tha directors were obliged to take drastic and far-reaching action to preserve tha company's rapidly dwindling cash resources. There was no improvement from a financial point of view in tha second quarter and further stringent economies were introduced. Fortunately the gold price began to increase in the third quarter and with an outstanding production perfomance at tha mina, the company's fortunes began to turn. The fourth quarter, efter making allowances for its somewhat shorter duration, saw a continuation of these improvements. In spite of the atringenf economies introduced and the improved production in the third and fourth quartera, the company had e negative cash flow of R1,1 million for tha year.

I am pleased to report that the morale amongst employees has been satisfactory throughout the year and in spite of tha problems encounfered.

The modernisation end expansion programme

Curtailments introduced during the early part of the year were mainly in respect of the capital expenditure programme which was initially budgeted at R50 million for tha year. The only projects which were allowed to proceed beyond the first quarter were those which for contractual reasons could nof be terminated end those which were of immediefe strafegic importance. In spite of these drastic cuts, the capital expenditura for the yeer was still R20,9 million. Had the directors not instituted the curtailmants discussed, the cash outflow for the yaar would heve been R17,1 million after State assistance, as compared with the R1,1 million mentioned earlier.

Developed and available ore reservas ara sufficient to enable mining to continue et the presenf fempo lor approximately fiva years. The developmenf of replacemenf ore reserves, now e vital necessity, is dependent on the completion of certain underground infrastructure, principally shafts, haulages, ore passes end airways. The replacement ore reserves end hence fhe prerequisita infrastructure must be availabla within fhe next five years if the present milling rate is to be maintained. To ensure long term viability the milling reta must not only be maintained but also increased, as explained in the 1980 documents describing the modernisation and expansion programme. Tha uncertainty regarding the future gold price, considered together with the company's limited financal resources, preclude et fhis time the resumption of the capital programme as orignally planned.

The implementation of the modamisation and expansion plan announced at the time of the 1980 rights issue was based on the assumption that e gold price equivelent fo U.S. $600 per fine ounce, in mid-1980 money ferms, would be obtained fhroughout the pariod of the capital expenditure programme. Approximafely U.S. $534 per fina ounce, of fhe abovementioned figure of U.S. $600 per fine ounce was required to cover working costs and capital expenditure. Making due allowanca for the change in the Rand/Dollar axchange rate and the decrease in the mina's gold yield since 1980, the gold price now required to cover working costs and tha original capital expenditure is estimated at U.S. $650 per fine ounce in present money terms.

A high degree of confidence that a gold price of this magnituda will be realised for a major portion of the period of the capital expenditure programma is necessary before fhe directors can contemplata resuming the programme as originally planned. At this time there is not sufficient evidence to justify adopting such an outlook on the price of gold in the futura. A modification of the original modemisation and expansion programme is required to enable fhe creation of raplacemenf ore reserves and thereby fo ansure continuity of operations in the medium term.

A study was therefore undertaken to establish which elemants of the programme will yield substantial additional ora reserves at the earliest possible date. The conclusions are that the Far East Vertical shaft system best satisfies this requirement and that the work must be complefed as soon as possibla. This system and the necessary ancillary underground development could be complated aarly in 1988 at a cost of approximafely R65 million in escalated money tarms, provided thaf a start is made before mid-1983. In order to ansure that this project, once started, may continue fo complation without interruption, sulfable back-up financial facilities are required. Negotiations fo conclude such back-up facilities are procaeding.

Assuming that there are no unforeseen financial crises in 1983, capital expenditure is estimafed at e minimum of R21,5 million for tha year, excluding the Far East Vertical shaft system. Should it prova to be possible to proceed with the latter project, additional capital expenditure of et least R8,0 million is likely.

Operations

The quantity of ore milled and treated for gold, et 2 656 000 fons, was marginally more than the figura of 2 624 000 tons achieved for 1981. A gold recovery yield of 4,03 grams per ton milled as compared with 4,43 grams per fon in 1981 resulted in gold sales of only 10 894 kilograms, 938 kilogram less than were eold in the previoue year. The fall-off in grede is ettributed mainly to the "K1" longwalls having fo sfope fhrough dykes. In eddition the lower Hercules and Cason sections hava not come up to expectations in so far as gold grade is concerned.

Financial results

The price received by the company for gold sold during the financial year ended 31st Decembar, 1982 wae R13 399 per kilogram, equivalent to approximately U.S. $383 per fine ounce af R1 = U.S. $0,92, as compared with R12 971 per kilogram, equivalent fo approximaetly U.S. $463 per fine ounce et R1 = U.S. $1,15, during the previous financial year.

Working revenue decreased by R6,7 million to R144,5 million.

The revanue decrease of R6,7 million is composed ol en unfavourable variance due to the decrease in gold production of approximately R12 million, end e favourable variance of R5,3 million dua to the better gold price received in Rand terms end the profit from gold hedging trensactions concluded during the year.

Working expenditura increased on everage by 14,6 par cant fo R152,2 million. Unit costs increased by 13,4 per cent from R50,52 to R57,30 per ton milled.

Mining operations for the year under review resulted in e loss of R7,7 million. The company claimed R18,7 million ea an assisted mina in ferme of the Gold Mines Assistance Act of 1968. Other incoma, consisting mainly of interest received on funds invested, amounted fo R6,6 million making R17,6 million available for eppropriations on mining assets. Expenditure on mining assets emounfed to R20,9 million.

Thara was thue a shortfall of R3,3 million for the year which was met from the proceeds received from the 1980 rights issue. The amount of capital expenditure so funded to dafe is R6,662 million which leaves the unutilized balance of thase funds at R39,866 million at 31st December, 1982.

Prospects

The company will persevere with its objectiva of modemising the mine so as to enable viable mining operations to continue over the long term. The achievement of this *objective is going to be critically dependent on developments during* 1983.

The milling rate for tha year ending 31st December, 1983 should be approximately the same as for the year just completed although an improvemant in gold extraction is expected with the introduction of additional facilities. The quantity of gold produced and sold should, howevar, not be materially greater than for the year 1982.

The gold price outlook and cost trends for 1983 indicata that, with tha continuance of Stata assistance, it should be possible to initiate plans for fha Far East vertical and sub-vertical shafts to be deepened and equipped to hoist men, meteriale and waste rock. As already described this is necessary for the development of replacement ore reserves to be stoped five years hence.

Dividends

Appropriations for capital expenditure will be determined in fhe light of the gold price received and it can be assumed fhat such expenditure will this year again fully absorb any profit generated at the assumed average gold price for 1983 of approximately R16 500 per kilogram. Thus, unless fhere is a very significanf and sustained increase in fhe price of gold received fo well above this level, I can see little prospecf of any dividends being declared in the 1983 financial year.

The annual financial statements and chairman's statements may be obtained from Rand Registrars Limited, 49 Jorissen Street, Braamfontein, 2001 or Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		March Vol.	March Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
0 FL C	F.263	4	0.80	1	5	—	—	F.264.70
0 FL P	F.260	—	—	2	4.50	—	—	"
0 FL P	F.205	113	1	—	—	—	—	"
0 FL P	F.270	3	0	—	—	—	—	"
0 FL P	F.275	1	10	—	—	—	—	"
		May		Aug.		Nov.		
GOLD C	$375	3	66	—	—	—	—	$412.50
COLD C	$400	—	-	20	58	—	—	"
GOLD C	$425	32	28	10	43	10	60 A	"
GOLD C	$450	120	16.50	10	32	—	—	"
COLD C	$475	42	10	13	23	18	05	"
COLO C	$500	12	5	11	15	3	27.50 A	"
COLO C	$550	956	3.50	—	—	10	18	"
GOLD P	$350	1	3	—	—	—	—	"
COLO P	$375	10	2	—	—	—	—	"
COLD P	$400	24	12	2	24	—	—	"
GOLD P	$425	2	20	5	80 B	—	—	"
COLO P	$450	148	41	17	45	—	—	"
COLO P	$473	3	58 B	—	—	—	—	"
COLD P	$500	3	88 B	—	—	—	—	"
12½ NL 81 87 91								
C	F.122.50	4	12.40	—	—	—	—	F.135
C	F.130	10	4.90 A	—	—	—	—	"
C	F.135	-		10	2	19	2.80	"
P	F.127.50	600	0.30	—	—	—	—	"
P	F.135	300	1.60	-	-	—	—	"
10½ NL 80 86.05								
BASF C	DM.122.50			1	4.50	—	—	F.115.60
11¼ NL 82 88 22								
C	F.112.50	—	—	30	5	—	—	F.116.90
C	F.117.50	20	0.90	—	—	—	—	"
C	F.120	2	0.50	—	—	—	—	"
10½ NL 82 86 89								
P	F.107.50	5	0.50	—	—	—	—	F.111.50
10 NL 82-11 86-82								
C	F.110	8	2.40	—	—	—	—	F.111.70
7¾ NL 83 87.90								
C	F.27.50	210	0.60	2	0	—	—	F.22.00
C	F.100	—	—	—	—	—	—	"
		April		July		Oct.		
AKZO C	F.40	—	—	61	14	—	—	F.53.60
AKZO C	F.45	167	8.20	—	—	—	—	"
AKZO C	F.50	142	0	78	6.50	—	—	"
AKZO C	F.05	206	2.00 A	58	4.40	—	—	"
AKZO C	F.00	—	-	56	2.50	—	—	"
AKZO P	F.45	—	—	31	1.50	—	—	"
AKZO P	F.50	120	0.80	—	—	—	—	"
AKZO P	F.55	200	2.80	—	—	—	—	"
AMRO C	F.45	108	10	55	10	—	—	F.54.80
AMRO C	F.50	27	4.00	51	5.60	03	7.50	"
AMRO C	F.55	..	—	09	3.20	63	4 A	"
AMRO P	F.50	120	1.10	—	—	—	—	"
AMRO P	F.55	234	2	-	—	—	—	"
CIST C	F.130	101	15.50	—	—	—	—	F.143
OIST C	F.140	800	9	—	-	—	—	"
CIST C	F.150	..	—	806	7.50	—	—	"
HEIN C	F.130	55	8	—	—	—	—	F.120
HOOG C	F.15	—	-	-	—	103	8.50	F.23.80
HOOC C	F.17.50	118	6.20	..	-	—	—	"
HOGG C	F.25	41	1.10	—	-	—	—	"
HOOG P	F.22.50	40	1	—	—	—	—	"
KLM C	F.150	146	14.50	—	—	—	—	F.101.60
KLM C	F.160	49	8.50	—	—	—	..	"
KLM C	F.170	120	4.10	—	—	—	-	"
KLM P	F.150	82	8.80	—	—	-	-	"
KLM P	F.160	05	68	—	..	—	-	"
KLM P	F.170	87	12	—	—	-	-	"
PHIL C	F.25	08	13.60	—	—	—	—	F.08.80
PHIL C	F.27.50	25	11.50	12	11.30 B	3	11.30	"
PHIL C	F.80	52	8.90	78	8.80 B	—	—	"
PNIL C	F.38.50	24	6.30 B	123	6.70	81	7.40 B	"
PHIL C	F.35	302	4	25	4.90	12	0.70	"
PHIL C	F.40	000	1.40	198	8.40	248	0.50	"
PHIL P	F.05	—	—	250	1.10	25	1.50	"
RO C	F.90	805	10.00	90	14	5	15	F.301.80
RO C	F.100	924	5.70 A	818	7.20	21	10	"
RO C	F.110	278	1.70	785	3.90	178	5	"
RD P	F.90	346	0.30	87	1.00	20	3	"
RO P	F.100	102	8	25	0.50	10	7	"
UNIL C	F.280	47	8.50	32	7.50	—	—	F.205.40

TOTAL VOLUME IN CONTRACTS 12,385

A = Asked B = Bid C = Call P = Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
8P (USP 332)	260	74	—	—	1	—	—
" "	280	54	—	—	3	—	—
" "	000	34	42	48	7	34	18
" "	330	11	22	28	24	28	32
" "	060	4	11	—	44	50	—
CGF (USP 484)	390	27	102	—	1½	4	—
" "	420	67	72	—	2	11	—
" "	460	07	52	07	10	25	32
" "	500	12	00	40	05	47	55
" "	550	4	17	27	75	80	84
" "	600	2	8	18	325	330	334
CTD (USP 22)	70	23	25	27	1½	2	3½
" "	80	14	16	18	2	4	6
" "	90	6	8	11	0	7	8
" "	100	0	4	7	10	12	14
CUA (USP 134)	120	17	17	—	2	4	—
" "	130	0	11	16	8	10	13
" "	140	2	6	10	17	12	21
" "	160	1	2	5	36	37	32
OEC (USP 207)	180	34	40	47	2	5	7
" "	197	37	—	—	5	—	—
" "	200	—	24	32	—	10	16
" "	217	4	—	—	16	—	—
" "	220	..	13	20	—	22	30
" "	207	2	—	—	32	—	—
" "	240	—	6	—	—	00	—
" "	260	1	4	—	54	54	—
GM (USP 348)	260	88	—	—	1	—	—
" "	280	68	74	—	1	3	—
" "	300	48	34	—	8	4	—
" "	330	21	01	32	5	9	12
" "	360	7	17	85	20	24	20
" "	090	2	8	15	47	46	60
ICI (USP 098)	280	2	—	—	2	—	—
" "	000	102	108	—	2	—	—
" "	030	72	78	-	2	0	—
" "	360	42	50	62	2	8	10
" "	390	20	34	44	8	18	20
" "	480	6	16	24	24	28	32
LS (USP 016)	240	2	—	—	1	—	—
" "	260	58	63	09	1	8	—
" "	260	38	43	51	2	5	8
" "	300	19	88	36	4	8	12
" "	030	6	12	19	16	22	25
M & O (USP 196)	160	80	—	-	1½	—	—
" "	380	81	27	33	0	7	9
" "	200	8	18	23	9	16	21
" "	220	0	6	12	28	29	31
" "	240	1	8	—	48	48	—

Option		Calls Apr.	Calls Jul.	Calls Oct.	Puts Apr.	Puts Jul.	Puts Oct.
BHL (USP 452)	390	64	72	80	1	4	8
" "	420	34	44	52	8	12	18
" "	460	8	12	28	00	34	38

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
SBL (USP 480)	060	138	143	—	1	2	—
" "	090	108	113	—	2	4	—
" "	480	78	83	93	3	7	10
" "	460	38	43	63	8	15	87
" "	500	17	28	37	28	35	42
IMP (USP 115)	90	27	—	—	1	—	—
" "	100	12	—	—	1	—	—
" "	110	10	10	39	4	6	8
" "	120	5	8	12	10	12	14
" "	130	2	5	8	16	17	19
LMO (USP 244)	220	02	40	52	10	16	27
" "	240	82	28	42	18	80	08
" "	260	10	18	02	27	04	42
" "	880	5	32	20	45	50	60
" "	300	3	7	—	62	07	—
" "	030	1	3	—	92	97	—
" "	360	1	—	—	122	—	—
" "	390	1	—	—	152	—	—
LNR (USP 83)	80	8	10	13	0	5	6½
" "	90	2½	6	7½	9	11	32
" "	100	1	3	4½	18	20	21
P & O (USP 142)	100	43	44	—	0½	1	—
" "	110	30	34	—	1	2	—
" "	120	80	24	20	1½	5	8
" "	130	14	10	18	0	8	11
" "	140	7	30	10	7	13	10
" "	160	2	—	—	20	—	—
RCL (USP 471)	420	60	70	80	6	8	13
" "	460	25	40	55	15	85	02
" "	500	11	23	02	07	47	60
" "	560	0	10	—	88	85	—
" "	600	1	5	—	338	105	—
" "	650	1	—	—	182	—	—
RTZ (USP 512)	090	125	—	—	1	2	—
" "	420	25	100	—	2	—	—
" "	460	63	74	—	7	13	—
" "	500	07	50	62	21	40	43
" "	050	14	20	07	52	62	70
VRF (USP 896)	55	—	—	—	1	—	—
" "	60	—	—	—	1	—	—
" "	70	2	—	—	3	—	—
" "	80	2	—	—	0	—	—
" "	90	11½	16½	—	6	8	—
" "	100	7	11	14	31	14½	16½
" "	110	0½	7	8	36½	19	28
" "	120	8	4½	6½	24	24½	27
" "	100	1	8	4½	84	34	34
" "	140	0¾	8	0	44	—	44

Mar. 16 Total Contracts 3,868 Calls 1,476 Puts 390

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INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum	107.2	112.9	0.1
Do. Initial	105.9	111.5	0.1
Man. Pens. Accum	227.6	239.6	
Do. Initial	191.4	202.1	
Gilt Edg. Pens. Accum	200.1	210.7	
Do. Initial	167.9	171.5	
Money Pens. Accum	116.6	185.9	
Do. Initial	145.2	152.9	

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.	220.02			—
Managed Inv. Fd.	149.52	157.39		—
Property Fd.	145.74	153.42		—
Fixed Interest Fd.	136.62	143.83		—
Cash Fd.	131.76	138.70		—
Income Fd.	154.17	162.29		—
Extra Income Fd.	142.35	149.85		—
Worldwide Growth Fd.	201.45	212.06		—
Balanced Fd.	162.10	170.64		—
Smlr Co's & Recy. Fd.	194.48	204.73		—
Int. Technology Fd.	233.16	245.44		—
Nth. Amer. & Gen. Fd.	149.45	157.32		—
Energy Int. Fd.	89.48	94.19		—
Pacific Basin Fund	118.97	125.24		—

British National Life Assurance Co. Ltd.
Harlands Rd., Haywards Heath. 0444 414111

Equity	95.3	100.4		—
International	111.6	117.4		—
Property	106.6	112.2		—
Deposit	96.0	101.1		—
Fixed Interest	95.3	100.4		—
Managed	102.9	108.3		—
Equity Pens Cap	94.8	99.8		—
Intnl. Pens. Cap	115.5	121.5		—
Property Pens Cap	109.3	115.0		—
Deposit Pens Cap	95.6	100.6		—
Fixed Int Pens Cap	94.9	99.9		—
Managed Pens Cap	104.5	109.8		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1	85.2			—
Retmt. Fed. Feb 8	224.8			—
Managed Pen Fund	170.1	179.0	+8.2	—
Property Pen Fund	110.3	116.1	+0.3	—
Index Lnkd Pen Fund	118.9	125.2	−0.6	—
Managed	109.5	115.3	−0.3	—
Property	97.8	103.0		

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 0131

G.T. Plan Bond Fund	124.3	130.9	−0.8	
GT Pln High Yld Fnd	110.2	116.3		—
GT Plan Far East Fnd	97.0	102.0		—
GT Pln N Am Fund	148.0	155.8		—
GT Pln UK&G.E. Fnd	127.6	134.4		—
GT Pln Wrldwide Fnd	120.2	126.6		—
GT Pension Sng Fnd	130.9	137.8	+0.9	—
GT Pen High Yld Fd	124.0	130.6		—
GT Pen Far East Fd	106.8	112.5		—
GT Pen N. Am. Fd.	190.5	200.6		—
GT Pen UK & G E Fd.	142.3	149.8		—
GT Pen Worldwide Fd.	127.6	134.4		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0735

Intl. Managed Bond	161.30	169.79		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 51971

Portfolio Fd. Acc.		234.6	+6.3	—
Portfolio Fd. Init.		198.5	+4.7	—
Portfolio Fd. Cap.		226.6	+5.8	—
Investment A/cs	234.5	247.0	+6.7	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,413		—
Landbank Secs		62.7		—
Landbank Sec. Acc.	172.4	176.8		—
G. & S. Super Fd.	£10.638			—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.7	311.3		—

GRE Linked Assurance Limited

Managed Initial	192.2	202.4	+0.5	—
Do. Accum.	210.6	221.7	+0.5	—
Equity Initial	240.2	252.9	+1.2	—
Do. Accum.	263.2	277.1	+1.3	—
Fixed Int. Initial	187.4	197.3	+2.4	—
Do. Accum.	205.3	216.1	+2.6	—
International Initial	193.9	234.1	−0.9	—
Do. Accum.	212.4	223.6	−1.0	—
Property Initial	122.2	128.6		

OFFSHORE AND OVERSEAS

NOTES

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 16.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 90	75	112½	112¾	0	0	11.29
Amro Bank 13 90	200	105	105½	0	-0⅛	11.78
BHP Finance 14¾ 89	150	108¾	109¼	+0½	+0½	12.54
British Col Hyd 15¼ 92	150	117⅛	117⅝	+0⅛	+0⅛	12.82
Canada 14⅜ 87	750	110⅝	111⅛	0	+0⅜	10.58
Canadair Ltd 12½ 89	175	104⅝	105⅛	-0⅛	0	11.38
Canadian Wheat 11¼ 90	50	100¼	100¾	+0⅛	-0⅜	11.13
Can Pac Ltd 14½ 92	75	111	111½	-0⅛	+0¼	12.48
Can Pac Sec 15 88	75	109⅝	110⅜	0	0	12.59
Citicorp O/S 15 84/92	100	104¾	105½	+0⅛	+0⅛	8.85
Coca Cola Int 9½ 92	100	24⅝	25⅛	0	0	10.75
Coca Cola Int 11¾ 88	100	105	105½	0	0	10.57
Credit Suisse 10½ 89	100	100⅝	101⅛	+0⅛	+0⅛	10.29
Deutsche Bk Fin 14¼ 88	300	110½	111	-0⅛	0	11.73
Du Pont 11⅛ 95	150	101⅛	101⅜	+0⅛	+0⅛	11.00
Du Pont 14¼ 89 WW	200	107⅛	107½	0	-0⅜	12.30
E.D.C. 10⅜ 96	100	99⅝	100⅛	0	+0⅜	10.76
E.D.F. 12⅜ 87	150	103⅞	104⅜	0	-0⅛	11.58
E.E.C. 11½ 85	200	99	99½	-0⅛	+0¼	11.91
E.I.B. 11 91	125	97¾	98¼	0	+0⅛	11.38
E.I.B. 10½ 92	100	114⅛	114⅝	-0⅛	+0⅛	12.74
Exp Dev Corp 11¾ 87	100	102¼	102¾	+0¼	+0⅜	10.99
Forsmarks 13¾ 92	75	106½	108	0	+0½	12.64
Gaz de France 12¼ 93	175	19⅝	20⅛	0	-0⅜	12.26
Gen Elec Credit 9¾ 91	100	14¾	15¼	0	-0⅛	10.66
Gen Elec Credit 12 89	100	106⅞	107⅜	+0⅛	0	10.41
GMAC O/S Fin 10½ 90	200	97⅛	97⅝	+0⅛	0	11.05
GMAC O/S Fin 15 87	100	108⅛	108⅝	+0⅛	+0⅛	12.05
Gulf Oil Fin 12¼ 87	100	104	104½	0	-0⅜	10.97
IBM World Trade 12¼ 92	200	108⅜	108⅞	+0⅛	+0⅛	10.57
Lloyds Euro 11½ 94	100	17¾	17⅝	0	-0⅜	11.67
Manitoba Prov 11¾ 90	125	102⅝	103⅛	0	0	11.00
Manitoba Prov 13¾ 89	100	108⅝	109⅛	0	0	11.88
Midland Int Fin 11½ 93	150	99⅜	100⅜	+0⅛	+0⅜	11.46
Nat West Fin 11¾ 92	150	101¼	101¾	+0⅛	+0⅜	11.46
New Brunswick 15¼ 97	75	111⅛	112	0	-0¼	11.61
Newfoundland 15½ 90	75	113⅜	113⅞	-0⅛	+0¼	12.53
Nippon Credit 11¼ 93	100	97⅛	97⅝	+0⅛	+0¼	11.78
Nova Scotia Prv 15¼ 89	75	113⅝	114⅛	+0⅛	+0⅛	11.97
Ontario Hydro 11¼ 88	200	102¾	103¼	+0⅛	-0½	10.59
Ontario Hydro 12¾ 92	200	106½	107	+0⅛	0	11.62
Ontario Hydro 15 92	150	116⅜	116⅞	+0⅛	+0⅜	11.93
Prudential O/S 10⅝ 93	100	99¼	99¾	-0⅛	+0⅛	10.70
Prudential O/S 12⅜ 87	150	106⅛	106⅝	0	+0⅛	10.86
Quebec Hydro 11½ 92 D	100	100⅜	100⅞	+0⅜	+1⅛	11.37
R. J. Reynolds 12¾ 89	100	104⅛	105⅝	-0⅛	0	11.55
Saskatchewan Prov 15 92	150	116¼	116¾	+0⅛	+0⅜	11.95
Skand Enskil 11½ 88	100†	99	99½	0	+0⅜	11.71
S.N.C.F. 11½ 93	100	98⅝	99⅛	+0⅛	+0⅜	11.70
Swed Exp Credit 14⅜ 90	100	104¾	105¼	+0¼	+1	12.73
Swiss Bk Corp 10¼ 90	125	99⅝	100⅛	-0⅛	+0¼	10.28
Tenneco Capital 9¾ 90	150	94⅝	95⅛	0	0	10.83
U.B.S. 11 89	150	102¾	103¼	+0½	+0½	10.33
Walt Disney Pro 12½ 89	75	103⅝	104⅛	+0⅛	+0½	11.57
World Bank 10⅜ 88	100	98⅜	98⅞	0	+0½	10.73
World Bank 10⅞ 93	100	97⅜	97⅞	+0⅛	-0⅛	11.28
World Bank 11⅝ 88	100	97⅞	98⅜	0	0	11.38

Av. price changes: on day 0, on week +½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	101⅜	101⅞	-0⅛	-0⅜	7.99
Asian Dev Bank 8¼ 92	150	101⅛	101⅝	+0¼	+0⅜	8.03
Australia 9⅛ 93	200	98⅞	99⅜	+0¼	-0½	7.60
Australia 7¾ 92	200	105⅝	106⅛	+0⅝	+1⅝	5.82
Bank of Tokyo 7⅛ 90	100	104⅞	105⅜	+0¼	+2⅜	7.13
Bayer Capital 7⅝ 90	100	103¼	103¾	0	+0⅜	6.56
Beecham Fin 8¼ 92	125	102¼	102¾	+0¼	+0⅜	7.71
Caisse Nat Energie 8 93	100	100½	101	+0⅛	+0¼	7.88
Caisse Nat Tele 7¾ 93	200	98¼	98¾	+0⅛	+0½	7.97
E.C.S.C. 7½ 93	150	99⅜	99⅞	0	+0¼	7.52
E.E.C. 7¾ 95	200	100	100½	+0⅛	+1⅛	7.71
E.E.C. 8 94	200	101	101½	+0⅛	+0⅛	7.81
GKN 8⅝ 89	100	99⅝	100⅛	+0⅛	+0⅜	8.36
Gould Int Fin 8⅛ 90	75	102⅝	103⅛	+0⅛	+0⅛	7.57
H.J. Heinz Int 6⅜ 90	50	99⅜	99⅞	+0¼	+0⅜	5.84
Int-Am Dev Bk 8¼ 93	150	101½	101⅝	0	+0⅛	8.03
Ireland 8⅞ 91	150	103¾	104¼	+1⅛	+2⅞	5.15
ITT Antilles 7 93	200	98⅜	98⅞	+0¼	+0⅜	7.28
McDonalds Fin 7⅜ 92	100	100⅝	101⅛	0	+0½	6.97
Mitsui O.S.K. 7⅛ 88	100	99⅝	100⅛	+0⅛	+0⅛	7.59
Mitsubishi Heavy 7⅝ 87	150	101	101½	0	+0⅛	7.29
Quebec Hydro 8 93	200	101¼	101¾	+0⅛	+1½	7.88
Sweden Kingdom 8⅛ 88	150	102⅝	103⅛	+0¼	+0¼	7.68
World Bank 7¼ 93	200	98⅛	98⅝	0	+0¼	7.49
World Bank 8¼ 92	200	103⅜	103⅞	+0¼	+0⅜	7.70

Av. price changes: on day +¼, on week +⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	96	96¼	0	-0½	4.88
Asian D.B. 5⅝ 95	100	97¾	98	-0¼	-1¼	6.13
Beecham Int Fin 6 92	100	100¾	101	-0¼	-2⅛	5.88
BTR Finance 5⅝ 93	75	96⅜	97	+0¼	+1¼	5.96
Chugoku Ele Pow 9¼ 01	100	100½	100¾	0	-1¾	9.02
Chujitsuya Co 5½ 92	50	95⅝	96	-0½	-0½	5.45
Ex-Im Bk Japan 5 93	100	95¾	96⅛	-0⅛	-1½	5.47
First Interstate 9 92	100	102	102¼	-0⅛	-2	5.71
Gaz de France 6 93	100	101⅞	102	-0⅛	-0¼	5.74
Gothenburg Airport 8 93	80	95½	95¾	+0⅛	-0⅛	5.18
HCA Finance 5 93	100	96	96¼	-1½	-1⅜	5.52
Kyushu Elec Power 8 92	100	99¾	100	+0⅛	-1¼	8.01
Manitoba Prov 5¼ 93	100	101	101¼	+0¼	0	5.09
New Zealand 5¼ 02	100	99¾	100	-0¼	-0¾	5.26
Nippon Express Co 6 93	50	100½	100¾	-0½	-1	5.81
Nippon Kokan 5⅝ 93	100	95½	96	-0⅜	-1⅜	6.21
Nisshin Steel Co 6⅝ 02	100	100¼	100½	0	-0½	6.32
Norsk Hydro 5½ 98	100	97	97¼	0	0	5.70
O.K.B. 6¾ 93	80	101	101¼	-0¼	0	6.59
Quebec 5¾ 92	100	100⅞	101½	-0⅜	-2⅛	5.61
Shikoku Elec Pow 5⅝ 93	100	96¾	97	+0⅜	0	6.09
Tokyo Elec Power 5⅛ 92	100	100⅞	101⅛	+0½	-1½	5.73
Transcanada Pipe 5¾ 93	80	97⅜	97⅝	+0⅛	-0⅛	6.06
Union Bk Norway 5⅝ 93	80	98	98¼	-0½	-2½	5.90
Volvo 5⅝ 91	60	100½	100¾	0	-0½	5.27
World Bank 5½ 93	100	100⅝	100⅞	-0⅛	-0⅛	5.40

Av. price changes: on day -⅛, on week -⅝

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105⅛	106⅛	0	+0¼	7.70
E.I.B. 8¼ 92	15	102⅜	103⅜	0	+0¼	7.75
Japan Airlines 7⅛ 87	[illegible]	100⅝	101⅛	-0¼	+0½	7.49
New Zealand 8⅛ 87	15	102⅝	103⅝	0	-0⅛	7.55
World Bank 8⅛ 92	20	103¼	104¼	+0⅛	+0¼	7.85

Av. price changes: on day +⅛, on week +¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 90 CS	501	112¾	113¼	0	+0¼	13.65
Can Utilities 17 87 CS	351	113¼	114¼	0	0	12.67
Farm Credit 12⅞ 93 CS	501	99⅝	99⅞	0	-0⅜	12.18
Gaz de France 15 90 CS	751	106¼	106¾	-0⅛	0	13.41
Gaz Metro 14½ 92 CS	401	103¾	104¼	0	-0⅛	13.74
Quebec Hydro 14 92 CS	601	106¼	106¾	0	-0⅛	12.76
Swed Exp Cr 12⅛ 88 CS	501	99½	100	0	0	12.31
E.E.C. 11⅝ 93 ECU	50	98⅝	98⅞	0	0	11.81
El Norge 11¾ 88 ECU	30	97⅛	98⅛	0	0	12.42
Amfas 9½ 87 Fl	80	104⅜	104⅞	+0⅛	+0¼	8.25
Austria 7½ 90 Fl	100	99½	100	+0¼	+0⅜	7.56
Nederland Gas 7½ 88 Fl	100	99¾	100¼	+0⅜	+0⅜	7.50
Neder Middbk 8¼ 87 Fl	100	103⅞	104⅜	+0⅛	-0¼	8.15
Quebec Prov 7½ 88 Fl	100	99⅜	99⅞	-0⅛	+0⅜	7.72
World Bank 7 88 Fl	150	98⅝	99⅛	+0⅜	+0½	7.24
O.K.B. 14 90 FF	400	97⅛	98⅛	0	+0⅛	14.68
Solvay & Cie 14¾ 88 FF	200	96⅝	97⅝	0	+0⅛	15.97
B.F.C.E. 14½ 87 £	30	107	108	-0¼	0	12.18
C.E.C.A. 13½ 88 £	20	104¾	105¾	-0⅛	+0⅛	12.28
C.B.T. 12½ 88 £	20	100⅝	101⅝	0	+1½	12.28
E.E.C. 11⅛ 91 £	80	98⅛	99⅛	-0⅛	+0⅛	12.17
Fin For Ind 12⅛ 88 £	30	101⅝	102⅝	-0⅛	+0⅜	11.67
Fin Nat Oranj 12⅛ 92 £	30	24⅛	24⅞	0	+1½	12.71
Gen Elec Co 12½ 88 £	50	104⅝	105⅝	0	+0⅜	11.31
Hiram Walker 14⅛ 88 £	25	106	107	+0⅛	+0⅜	11.60
Mort Bk Fin 11⅞ 89 £	15	23½	24⅛	-0⅛	+0¼	13.15
Norsk Hydro 12 98 £	30	27¼	28	+0⅛	+0⅜	12.75
Norsk Hydro 14½ 87 £	30	107¼	108¼	0	+0½	12.83
Quebec 14½ 89 £	30	106½	107½	-0⅛	+0⅛	12.97
S.D.R. France 15½ 92 £	20	106⅛	107⅛	-0⅛	+0¼	14.15
S.N.C.F. 11½ 89 £	30	95⅜	96⅜	0	+0⅜	12.41
Tenneco Int 14⅜ 87 £	30	106½	107½	0	-0⅛	12.52
World Bank 11⅜ 91 £	75	26⅝	27⅝	+0⅛	+0⅜	12.08
Euratom 11 93 LuxFr	500	101⅝	102⅝	+0¼	+1	10.64
Europarat 12½ 92 LuxFr	500	103½	104½	0	-0⅛	11.74

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	100	100½	18/6	9⅜	9.73
B.F.C.E. 5¼ 88	0¼	98¾	99¼	28/7	9¼	9.34
B.F.C.E. 5¼ 87	0⅛	99½	100	27/7	9.94	9.98
Caisse Nat Tele 5¼ 90	0⅛	99	99½	21/4	10.50	10.64
Cepme 5¼ 92	0¼	99½	100	18/8	9.94	9.96
Chemical NY 5¼ 94 ††	0¼	100¼	100¾	23/3	9.94	9.89
Credit Agricole 5¼ 97	0¼	99½	99⅝	24/3	12⅞	12.96
Credit du Nord 5¼ 92	0¼	99½	99⅞	23/6	10⅛	10.19
Credit Lyonnais 5¼ 97	0¼	99	99½	1/4	12.10	12.20
Credit Lyonnais 5¼ 94	0¼	99	99½	5/7	9¾	9.82
Credit Nat 5¼ 94	0¼	99¾	99¼	9/8	9¼	9.34
E.D.F. 5¼ 95 XW	0¼	99	99½	18/8	10	10.08
Kansallis Osake 5½ 92	0¼	99¾	100¼	8/8	10.06	10.06
Lloyds Eurofin 5¼ 93 §	0⅛	100⅛	100⅝	29/4	10.50	10.62
Long Term Cred 5¼ 92	0¼	100	100¼	27/5	10⅛	10.11
J.P. Morgan 5¼ 97 §	0⅛	100¼	100¾	12/8	9½	9.45
Nat West Fin 5¼ 91 §	0¼	100½	100⅝	15/7	9⅛	9.22
New Zealand 5¼ 87	0¼	100⅛	100⅝	7/4	12½	12.45
NZ Steel Dev 5¼ 92	0¼	100	100½	22/8	10.18	10.18
Nippon Credit 5¼ 90	0¼	100⅛	100⅝	10/8	9⅞	9.84
Offshore Mining 5¼ 91	0¼	100	100½	2/8	10.44	10.41
Scotland Int 5¼ 92	0¼	99⅝	100⅛	23/3	13¼	13.27
Sec Pacific 5¼ 91	0⅛	100⅛	100⅝	24/6	10.06	10.02
Société Générale 5¼ 95	0⅛	99⅛	99⅝	1/8	9½	9.56
Standard Chart 5¼ 91	0⅛	100	100½	18/5	10.88	10.85
Sweden 5¼ 93	0¼	99¼	99¾	3/8	10.18	10.24
Sweden 5¼ 89	0¼	99⅛	99⅝	26/8	9⅝	9.68

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	94⅛	95⅝	+1⅜	8.43
Bridgestone Tire 5½ 96	3/82	470	103½	105	+2⅛	4.56
Canon 7 97	1/82	748.2	101½	103½	+4⅜	0.88
Fujitsu Fanuc 4½ 98	10/81	5814	102	104	+2	10.04
Hitachi Cable 5⅛ 96	2/82	515	97⅝	99⅛	+3⅛	11.20
Hitachi Credit Corp 5 96	7/81	1612	89	91	-0⅜	15.10
Honda Motor 5½ 97	3/82	759.5	117⅞	119⅜	+2⅜	7.75
Kawasaki 5⅜ 96	9/81	229	76	77½	+0⅜	17.21
Kumagai Gumi 6½ 97	10/82	408	108⅞	110¼	-0⅛	4.65
Kyowa Hakko 6⅛ 97	2/83	762	106	106½	+1⅛	17.39
Marui 6 96	7/81	769.5	118½	120	0	7.20
Minolta Camera 5 96	10/81	826.4	72½	74	+0½	27.89
Murata 5¼ 96	7/81	1071	98⅝	100⅛	+3⅜	27.20
NKK 6⅛ 96	7/81	188	85⅛	86⅝	+0⅛	23.99
Nippon Electric 5½ 97	2/82	765.9	128½	130	+0⅜	8.63
Olympus Optical 6⅜ 97	12/82	1331	104⅛	105⅝	+2⅜	10.25
Orient Finance 5⅛ 97	3/82	1205	108⅝	110⅛	+1⅞	8.36
Sanyo Electric 5 96	10/81	652	86¾	88¼	+1¾	23.85
Sumitomo Electric 5½ 97	3/82	577.3	98⅛	99⅝	+0⅜	10.49
Sumitomo Metal 5¼ 96	10/81	296.1	70½	72	0	34.84
Fujitsu 3½ 93 SF	3/83	668	100⅞	101½	+0⅜	5.90
Sharp Corp 3½ 93 SF	3/83	1106	110¼	112¼	+3	1.85
Konishiroku 6¾ 98 DM	9/82	610	111	112	0	8.04
Mitsubishi Heavy 6 89 DM	2/82	263	104⅞	105⅞	+0¼	2.53
Sun Realty 6¼ 92 DM	2/83	365	108⅛	110⅛	+0½	4.10

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. — current coupon. Cs. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

$100m bond for Austrian bank

BY OUR EUROMARKETS STAFF

ÖSTERREICHISCHE Kontrollbank (OKB), Austria's state-owned export finance bank, is raising $100m in the Eurodollar bond market, with an additional $75m tap which can be used within the next two years.

The eight-year bond, guaranteed by the Republic of Austria, carries a coupon of 10 per cent at a discounted price of 93¾. This gives a yield to maturity of 11.2 per cent. The issue is non-callable and is thought to involve a currency swap. Orion Royal Bank is the lead-manager, with European Banking Company and Morgan Guaranty. It was well-received by the market, trading yesterday at a ½ point discount.

The Bank of Tokyo also issued a $100m bond yesterday, with a coupon of 11 per cent at par, and a life of seven years. It is understood to be part of an interest rate swap. Credit Suisse-First Boston is leading the deal, together with Morgan Guaranty, S. G. Warburg and Bank of Tokyo International.

In the pre-market, it started trading at a discount of about 1 point.

The third dollar issue of the day came from SCI Finance, A U.S. electronics company which supplies parts for satellites, missiles and aircraft. The $15m, 15-year convertible carries a semi-annual coupon of 5 per cent, with an expected cooversion premium of 10 per cent at a price of 100. The issue is led by R. Nivision and Dominick & Dominick.

The dollar secondary market closed with unchanged prices on low turnover.

An Australian dollar issue for Primary Industry Bank of Australia was due to be launched overnight by Orion Royal Bank. The AS20m, five-year bond carries a coupon of 14½ per cent at a price of par. Nikko Securities is lead manager.

Rank Xerox, the British copier manufacturer, issued a DM 75m bond in the German market, which traded at a small premium yesterday. Deutsche Bank is leading the 10-year, 7½ per cent bond, priced at par. Two private placements are expected tomorrow from Deutsche Bank, Alusuisse, for the Swiss-based aluminium group and Electrolux, the Swedish housebold appliances maker.

Hopes were high in the German market for a cut in the discount rate when the Bundesbank central council meets today. Prices in the secondary market rose by ¼ point in moderate activity. The DM 150m, 8½ per cent bond from Escom, launched on Tuesday, was trading at a ¾ point premium.

European markets attract Japanese

BY OUR EUROMARKETS STAFF

JAPANESE corporations are floating more boods in West European markets, according to the Japanese underwriters' association. Corporate bond issuers, it says, have been attracted by lower differential interest rates in Europe.

The total issue of corporate bonds overseas in 1982 was Y1700bn, ($7.17bn) according to the association. Of this, convertibles accounted for Y670bn and straights for Y1030bn. The total flotation represented 37.7 per cent of Japanese bond issues in 1982, compared with 27.4 per cent the year before.

Japanese interest rates are differentially high because of the heavy flotatioo of national bonds by the Japanese Government. The government apparently plans to issue Y7000bn in the first half (April to September) of fiscal 1983, out of a total of Y12,000bn for the year.

A convertible issue of Japan would have to carry a coupon of about 5.2 per cent, compared with about 3.5 per cent in Switzerland. Domestic straights carry rates of about 7.7 per cent, compared with 6 per cent in Switzerland.

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SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday March 17 1983

Disagreements at sugar pact talks, Page 37

WALL STREET

Late selling wipes out early gains

WALL STREET was in an unsettled mood. Bond markets weakened in the face of increased demand for short-term money ahead of the end of the tax year, while sbare prices proved unable to sustain early gains, *writes Terry Byland in New York.*

The Dow Jones Industrial, average, six points up at one time, elosed a net 8.52 down at 1116.00. Turnover remained moderate with only 83.8m shares traded. Falls exceeded gains by 845 to 730.

Yields were forced higber in the credit markets by a batch of technical factors, including the normal make-up day operations by the banks and a keen demand for money as the mid-month tax date loomed near.

The Federal Funds rate opened sbarply higher at 9 per cent and this was quickly reflected in falls of around ¼ of a point in bond prices.

The Fed Funds rate soon eased to 8.75 per cent, but demand for money remained strong and the bill markets were boping to see further aid to liquidity from the Federal Reserve.

Also hanging over the market was the current Treasury funding programme. The Treasury's auction total of $13.5bn in bonds and notes for next week was slightly below market predictions, but is nonetheless a hefty burden for a market currently lacking retail buying support.

The Treasury decision to bold future weekly bill auctions on a yield rather than discount basis was seen as "a logical continuation of the fed's moves to streamline trading."

Sbare prices tried to extend the gains of the previous day but ran into profit taking sellers before the end of the session. Airline stocks drew renewed comfort from the Opec agreement on lower prices for oil – a major cost factor.

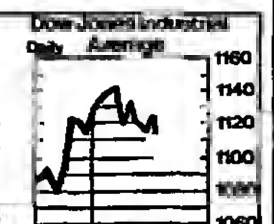
The retail sector turned higher following a batch of trading statements from major companies. However, both sbare sectors closed well below their best levels.

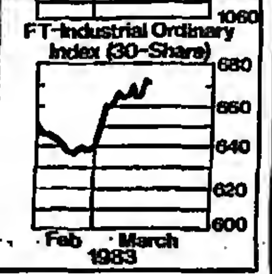
United Airlines at $35 stood out with a net gain of $1¼ in busy trading. Eastern airlines at $9⅝ and Pan American at $5⅝ were also higher.

FW Woolworth added $1⅛ to $32⅞ on the year'a results while other firm spots among stores included Carter Hawley Hale at $19⅝. Allied stores wbose earnings were slowed by acquisition costs rallied from an early fall to close higher at $40⅞.

In **Toronto**, stocks were sligbtly lower at midsession with easier gold issues continuing to bold the market back. Six of the 14 major indices were lower but papers, transportation and management were firmer. The same, lower picture emerged in **Montreal**.

KEY MARKET MONITORS





STOCK MARKET INDICES

NEW YORK	March 16	Previous	Year ago
DJ Industrials	1116.00	1124.52	798.33
DJ Transport	504.92	503.02	324.75
DJ Utilities	126.65	127.26	105.56
S&P Composite	149.81	151.37	109.28
LONDON			
FT Ind Ord	671.3	637.8	551.4
FT-A All-share	418.99	421.13	317.43
FT-A 500	453.84	455.82	338.53
FT-A Ind	425.70	428.14	311.56
FT Gold mines	559.7	587.0	219.6
FT Govt secs	81.40	81.88	68.01
TOKYO			
Nikkei-Dow	8170.13	8111.83	6918.99
Tokyo SE	602.26	596.91	523.07
AUSTRALIA			
All Ord.	513.9	513.4	464.8
Metals & Mins.	477.9	477.4	329.7
AUSTRIA			
Credit Aktien	52.24	52.50	53.84
BELGIUM			
Belgian SE	111.04	110.84	91.09
CANADA			
Toronto			
Composite	2136.1 *	2148.44	1542.4
Montreal			
Industrials	362.91	365.45	270.19
Combined	355.45	357.11	259.49
DENMARK			
Copenhagen SE	n/a	121.03	95.19
FRANCE			
CAC Gen	111.2	109.9	102.3
Ind. Tendance	116.9	114.8	114.4
WEST GERMANY			
FAZ-Aktien	284.84	281.12	232.18
Commerzbank	857.8	844.5	706.4
HONG KONG			
Hang Seng	1024.07	1024.51	1185.13
ITALY			
Banca Comm.	202.61	202.14	203.08
NETHERLANDS			
ANP-CBS Gen	118.3	116.5	84.8
ANP-CBS Ind	101.1	99.8	68.1
NORWAY			
Oslo SE	147.76	146.02	100.53
SINGAPORE			
Straits Times	852.95	843.11	695.31
SOUTH AFRICA			
Golds	743.2	789.9	428.0
Industrial	841.1	857.1	586.1
SPAIN			
Madrid SE	107.99	107.9	126.57
SWEDEN			
J & P	1296.89	1290.75	810.9
SWITZERLAND			
Swiss Bank Ind	307.4	307.3	245.8
WORLD	Mar 15	Prev	Yr ago
Capital Int'l	164.8	164.10	130.0

GOLD (per ounce)

	March 16	Prev
London	$419.50	$432.50
Frankfurt	$419.25	$434.75
Zürich	$419.75	$433.00
Paris (fixing)	$432.93	$446.11
New York (March)	$418.10	$426.20

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR March 16	U.S. DOLLAR Previous	STERLING March 16	STERLING Previous
£	1.5080	1.5145	–	–
DM	2.3830	2.3870	3.59½	3.61¾
Yen	237.40	237.2½	358	359½
FFr	6.85	6.75	10.32½	10.22
SwFr	2.0525	2.0510	3.09¾	3.10¾
Guilder	2.6450	2.6525	3.99	4.02
Lira	1415	1414½	2132½	2141
BFr	46.66½	46.15	70.25	69.85
C$	1.2240	1.2245	1.8440	1.8530

INTEREST RATES

	March 16	Prev
Euro-currencies (three month offered rate)		
£	10⅝	10⅝
SwFr	3⅞	3$^{13}/_{16}$
DM	5$^{3}/_{16}$	5$^{3}/_{16}$
FFr	42	45
FT London Interbank fixing (offered rate)		
3-month U.S.$	9$^{5}/_{16}$	9$^{5}/_{16}$
6-month U.S.$	9½	9½
U.S. Fed Funds	8¾	8¾
U.S. 3-month CDs	8.80	8.80
U.S. 3-month T-bills	8.27	8.25

U.S. Treasury Bonds

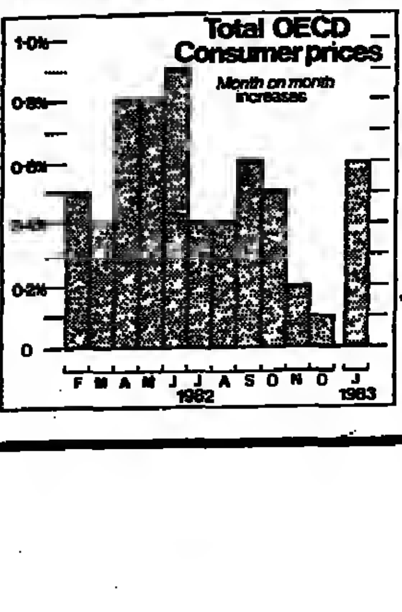
	March 16 Price	March 16 Yield	Prev Price	Prev Yield
9⅝ 1985	100$^{5}/_{32}$	9.53	100$^{5}/_{32}$	9.53
10⅛ 1990	100$^{2}/_{32}$	10.33	100$^{2}/_{32}$	10.33
10⅜ 1993	102$^{1}/_{32}$	10.45	100$^{1}/_{32}$	10.45
10⅜ 2012	97$^{2}/_{32}$	10.61	97$^{2}/_{32}$	10.61

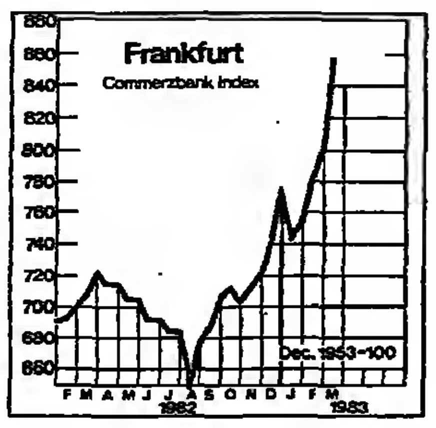
FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
June	75–17	76–05	75–15	76–01
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.65	91.76	91.62	91.76
Cert Deposit (IMM) $1m points of 100%				
June	90.88	90.98	90.87	90.97
LONDON	Latest	High	Low	Prev
Three-month Eurodollar $1m points of 100%				
June	90.63	90.68	90.60	90.66
20-year Notional Gilt £50,000 32nds of 100%				
June	104–13	104–17	104–14	105–15

LONDON COMMODITY MARKETS

	March 16	Prev
Silver (spot fixing)	718.15p	743.3p
Copper (cash)	£1056.75	£1064.00
Coffee (March)	£1731.00	£1720.00
Oil (spot Arabian light)	$28.50	$28.45





LONDON

Budget fails to spur new gains

CONSIDERATION of Tuesday's budget proposals failed to promote investment activity io Loodon equity markets yesterday. The outcome was a rather lacklustre session, compared with the recent strong market performance.

Early sterling weakness, prompted by Tuesday's cut in clearing bank base rates and a revival of oil price fears, was an unsettling influence. It led to an early shake-out in gilt-edged securities and equity leaders soon followed.

Initial interest centred on gilt-edged and the start of dealings in the new, £25-paid tap stock, Excbequer 10½ per cent Convertible, 1988. The authorities accepted bids of £28 for the £25-paid stock and immediately announced its exhaustion.

The successful debut prompted loose selling of other stocks to raise funds for purcbase of the new issue. As a result, the tone which seemed a sbade firmer initially, turned dull. Attempted rallies faltered and quotations settled, with falls ranging to ¾. The shorts followed a similar pattern and ended with losses extending to ½ and occasionally more.

Investors sbowed a marked reluctance to chase leading equity values higher and a modest opening mark-up failed to bold. The Financial Times Industrial Ordinary index, which was up 2 at 10am, sbowed a net fall of 4.5 an bour later.

But by the close, the index had reduced its loss to 2.3, at 671.3, belped by a surprise one-for-three scrip issue, and annual profits in line with expectations, from BTR, the rubber, energy and engineering group. BTR closed 18p higber at 458p.

Elsewbere, Turner and Newall staged a strong rally from an earlier dull level of 28p to finish 3p up on the day at 33p. The chairman's views on the group's recovery potential outweigbed a £19.3m annual loss.

A weak performance by the gold bullion price, which dropped $13 to $419.5 an ounce, brought further pressure on an unwilling South African gold sbaremarket.

Small but persistent selling and an almost total absence of buying interest depressed sbares to their lowest levels since the beginning of the year and caused a further 27.3 decline in the Gold Mines index to 559.7.

A quiet Australians sector was higbligbted by the good performance of Pancontinental, 6p up at 80p.

Share Information Service, Pages 38–39.

AUSTRALIA

Quiet tone

RESOURCE stocks sbowed some gains in **Sydney**, but elsewhere prices were little changed during a quiet session. At the close, the All Ordinaries index was up 0.5 at 513.9 with the resource market 0.9 points ahead at 402.5 but industrials 0.2 easier at 651.7.

BHP fell 2 cents to A$6.34, CSR was steady at A$2.60 and CRA put on 1 cent to A$4.63. Western mining rose 5 cents to A$4.25 and MIM imnroved 2 cents to A$4.20. In golds, Poseidon fell 25 cents to A$4.15, Peko was up 4 cents to A$5.84, Emperor was unchanged at A$2.10 and GMK lost 20 cents to A$9.50.

Banks were firmer in **Melbourne** with ANZ up 5 cents at A$3.45 and National Commercial 4 cents higber at A$2.50.

SOUTH AFRICA

Golds fall

GOLD shares were marked sbarply down in Johannesburg as the bullion price dipped below $420, but they generally closed above the day's lows. Freguls shed R4.25 to R44.25 and among cheaper priced producers, Blvyoor fell back R1.85 to R15.

Mining financials, diamonds and platinums eased in sympathy, with Anglo American down 30 cents at R19.70, De Beers 15 cents to R8.05 and Impala 30 cents to R10.20. Other minings were mostly steady while industrials were narrowly mixed wbere changed.

FAR EAST

Price surge as trading revives

Share prices surged in beavy trading in **Tokyo**, with buying interest reviving after Wall Street's overnigbt advance. The Nikkei-Dow Jones market average gained 58.3 to end at 8170.13, althougb turnover was a ligbt 350m shares. The Tokyo SE index rose 5.35 to 602.26. Interest mainly centred on market leaders.

Nippon Electric recovered from a sharp fall wbich followed reports that Zilog Inc had filed a complaint against it with the U.S. District Court, to close Y3 lower at Y965.

In electricals Sony and Pioneer both added Y140 to Y3,510 and Y2,520 respectively. Hitachi and Hitachi Chemical both rose on good test reports on a ceramic deisel cylinder and piston they had developed. Hitachi gained Y24 to Y799.

Elsewhere Canon advanced Y60 to Y1,290, Asahi Optical Y43 to Y515, Honda Y40 to Y880, Mitsubishi Electrical Y80 to Y1,310 and Takeda Y22 to Y893. Speculatives, such as non-ferrous metals and shippings fell, as did oils, led by Nippon Oil, down Y14 to Y894. Food and drugs firmed, with Meiji Seika gaining Y15 to Y551, but cbemicals and construction firms eased. Japanese government bond priced firmed.

In **Hong Kong**, stocks closed mostly lower after a fairly quiet balf-day session. Investors are said to be waiting for further 1982 earnings reports before taking new positions. Prices were steady to higher initially after Wall Street's gains, but they turned lower uoder sporadic local selling. The Hang Seng index ended off 0.44 at 1,024.

Some speculative selling was noted of Jardine Matheson shares, which closed 30 ceots lower at HK$14.10. Leaders were mostly easier. Cheung Kong fell 10 cents to HK$10.20, Hongkong Bank 5 cents to HK$9.15, Hoogkong Land 8 ceots to HK$4.37 and Hutchison Whampoa 20 cents top HK$13.80. However, Hongkoog Wharf was 10 cents higher at HK$3.82.

Hongkong Gas, which rose 50 cents to HK$46 and Hongkoog Telenhone which advanced 75 cents to HK$38.50, both extended previous gains on speculative support.

In **Singapore**, meanwhile, prices were firmer in active, selective trading. The Straits Times industrial index rose 9.84 to 852.95 with volume at a record 31.2m units.

Fraser and Neave rose 10 cents to S$7.60, Hume Industries 22 cents to S$4.80, Ionchcape 12 cents to S$2.95 and Pan Malayan Cement 15 cents to S$6.60. Banks were mixed, but botels, properties, commodities and the second trading section were higber, where traded.

EUROPE

A firmer trend reappears

A FIRMER tone emerged in many European bourses after the generally lower trend of the early part of the week. In **Frankfurt**, shares broke out of a three-day consolidation phase to close broadly higber. The Commerzbank index, up 13.1 at 857.8, was at its highest level since October 1978.

Bank issues were in demand, encouraged by bopes of a cut in Bundesbank interest rates loday, and by Bayeriscbe Vereinsbank's confirmation that it was raising its dividend to DM 10 from DM 9. Deutsche led the banks up, gaining DM 11 to DM 304.50 while Bayern Verein closed DM 8 higher at DM 328.5. Bayern Hypo rose DM 2 to DM 286 and Dresdner DM 3 to DM 166.

Foreign investor purchasing was evident in the sharp rise in blue chip stocks. There was strong demand for Siemens, which touched DM 307 before settling back to a final DM 306.70 for a net rise of DM 7.20.

In motors, Daimler added DM 6.40 to DM 445.90, BMW DM 5 to DM 284.50 and VW DM 3.80 to DM 168.20. Elsewbere, Deutscbe Babcock also gained stroogly, rising DM 11 to DM 161 after an announcement that the company hopes to return to profit in 1982–83.

Prices of domestic bonds were steady in quiet trading ahead of the Bundesbank Council meeting today.

In **Paris**, *renewed speculation* by foreign investors over a possible devaluation of the franc pushed share prices sharply higher in active trading. But French investors were cautious, fearing that a televised address to the nation by President François Mitterrand next Wednesday may be used to announce austerity measures.

Oil shares recorded strong gains, while portfolio, metal and transport issues were also firmer. Banks, foods and engineerings were weaker, while constructions and electricals ended mixed. Among prominent gainers were Imetal, FFr 2.5 ahead at FFr 52.8, Creusot-Loire, up FFr 3.7 at FFr 60.2 and Radiotechnique which advanced FFr 11 to FFr 381.

In **Amsterdam**, stocks were firm on a good volume that saw the ANP-CBS general index rise 1.8 to 118.3. Gains outnumbered declines 102 to 52, while 55 issues were unchanged. The construction firm, *Boskalis , advanced Fl 1.60* to Fl 47.40 after the company made clear it had no intention of withdrawing from a pipeline project in Argentina.

Prices of domestic bonds showed little change following the Government's latest bond tender. The new bonds, which bear 7.5 per cent, drifted down to 99.9 on the secondary market after being priced on Tuesday night at 100.10. This gave a yield for the new issue of 7.52 per cent, which is in line with that for other recent Government paper.

In **Brussels**, prices were steody with the Belgian shares index at 111.04 against the previous 110.84. Most foreign shares were higher but sharply lower gold mines forced the All-shares index down to 270.11 from 274.27.

Prices firmed in active **Milan** trading as operators anticipated the passage of a bill permitting tax exempt revaluation of assets. Bonds were mixed in moderately active trading.

Prices were steady after a quiet sessioo in **Madrid**, where the bourse index closed 0.09 bigher at 107.99.

But in **Zurich**, prices drifted lower in sluggish conditions, with investors nervous about interest rate trends.

In **Stockholm**, trading lost momentum and prices turned weaker towards the end of the session.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4⅝	2¾	AlCPb				2	4⅝	4⅝	4⅝	
3⅝	1	ATI			14	90	3¾	3	3⅝	+⅛
6¾	1½	AcmePr			28	307	6⅝	6⅜	6¾	+½
21¼	12¾	AcmeU	.40	2.0	10	11	20⅛	20	20	−⅛
22⅞	2¾	Action			8	43	22⅛	21⅝	21⅝	−⅛
9⅞	6½	Actons	.10t	1.3		27	7¾	7⅝	7¾	+⅛
3⅝	⅞	Acton	wt			8	1⅞	1⅞	1⅞	−⅛
6⅜	1¼	AdmRs	.10	4.4		3	2¼	2¼	2¼	
27⅜	12	AdRusl	s.10	.4	25	53	25½	25	25⅛	
21½	11⅛	Adobe	.20	1.2	11	54	17⅛	16⅝	16⅝	−1
3⅜	2	AegisCp			9	232	3⅛	3	3	−⅛
21½	7⅜	Aeroflx	1.55t	7.6	17	25	20⅛	19⅝	19⅝	−⅜
6¼	2¾	Aeronca			10	88	6⅞	6¼	5⅞	
21⅞	9¾	AffilHsp	.22	1.7	8	8	19⅛	18⅞	18⅞	+⅛
30½	16	AfilPb	s.64	2.2	16	1	29¾	29¾	29¾	+⅜
10	3⅜	AirSix			9	31	9⅝	9⅝	9⅝	+⅛
15½	4⅝	AirExp				66	13⅛	13⅛	13⅛	−⅛
15½	3⅜	AlbaW	.10e	.7	2260	14⅝	14⅛	14⅛	14⅛	+⅛
20	0	AlienT	.76t	3.8		0	19⅞	19⅝	19⅝	−⅛
10⅛	8⅝	AlmySt		2	1241	3	6⅛	9⅝	9⅝	−⅛
10⅜	5¼	AlphaA				73	9¾	9⅝	9¾	+⅜
24⅜	10½	Alphal	s		29	297	22⅛	21⅝	22	−⅛
15⅝	7⅛	Altamil	.40	2.8	12	8	14½	14⅛	14⅛	−⅛
1¼	½	Altec				132	1⅛	1	1	
0	4⅜	Altec	pf			1	5⅜	5⅜	5⅜	+¼
2⅝	1⅛	Altex				706	1⅞	1⅞	1⅞	
44½	17⅞	Amdhl	.40	1.0	0183	1587	39½	37¾	39⅛	+2
28⅜	6¾	Amedc	s.12	.4	28	53	27½	27	27½	+½
8	6⅜	ABilt	s			1	4⅜	4⅜	4⅜	+⅛
6⅜	⅞	AmCap				11	3	2⅞	3	
28	8¼	AExp	wt			98	25⅞	25¼	25⅞	+⅛
15½	5¾	Alsrael			4	88	10¼	10⅛	10¼	−⅛
10	6	AMzaA	.52	3.6	11	7	13⅞	13½	13⅞	+⅛

[illegible]

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
63¾	49¾	VaE	pf7.72	12		z3800	62½	62½	62½	+1¼
58½	45¼	VaEP	pf7.20	12		z1900	58¾	57	58¾	+1
62⅛	45	VaEP	pf7.45	13		z350	60⅛	57⅛	57⅛	−2⅛
21¾	11⅛	Vornad				15	19⅛	19	19	−⅛
19	7½	Vulcinc				274	10⅛	9½	10⅛	+⅜
64	38¼	VulcnM	2.44	3.9	13	4	62¼	62½	62½	

W—W—W

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅝	15¼	WICOR	2.14	11	9	39	19⅛	19⅛	19⅛	−⅛
44½	30½	WabR	pf4.50	11		z106	41	41	41	+1
37⅛	22	Wachov	1.40	3.8	11	21	36⅞	36⅝	36⅝	
28½	13⅛	Wackht	.44b	1.9	10	181	23½	22⅞	22⅞	−⅛
15⅝	4⅛	Wainoc				218	6⅝	5¾	5⅞	−⅛
54¼	19⅝	WalMrt	s.28	.5	29	1698	u54⅞	53⅜	53⅞	+½
31⅞	12⅛	Walgrn	s.60	2.0	18	333	31½	30½	30½	−⅜
19⅛	11⅞	WkHRs	g1.32			18	18⅜	18⅛	18⅛	−⅛
55¼	27½	WalCSv	.72	1.4	18	35	52½	52	52½	+⅛
38⅛	10	WarLm	1	2.8	15	269	37⅛	36⅞	37⅛	+⅛

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full

WORLD STOCK MARKETS

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elec	312	−12
Barratt Dev	536	−8
Combined Tech	57	−2
East Daggs	282	+5
Grand Met	343	−12
GKN	154	—
Lex Service	221	−6
Pencontinental	80	+8
Rowntree Mackintosh	244	+4
TI	172	−2
Tilling (T.)	135	−12
Turner and Newall	33	+2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of change	Tues. close	Day's change
Bio-Isolates	22	267	−3
Racal Elec	20	468	−10
Cambridge Elec	17	214	+20
De Beers Dfd	17	492	−2
NatWest Bank	16	600	−2
Blue Circle	14	423	+13
GEC	14	278	+0
Exco	13	635	−10
Glaxo	12	700	+5
Marley	12	73	+3
Royal Ins	12	528	+8
BET Dfd	11	358	−8
Plessey	11	565	−2
RTZ	11	523	+3

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (116)

AMERICANS (2)
CANADIANS (1)
BANKS (3)
BREWERS (2)
BUILDINGS (8)
CHEMICALS (4)
DRAPERY & STORES (7)
ELECTRICALS (7)
ENGINEERING (7)
FOODS (2)
HOTELS (2)
INDUSTRIALS (19)
INSURANCE (1)
MOTORS (3)
NEWSPAPERS (2)
PAPER (1)
PROPERTY (3)
SHIPPING (1)
TEXTILES (2)
TRUSTS (32)
OIL & GAS (5)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (6)

NEW LOWS (5)

ENGINEERING (1)
Mining Supplies
FOODS (1)
Danish Bacon A
INDUSTRIALS (1)
Noltoe
OIL & GAS (2)
Edinburgh Secs. Eglinton Oil

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11
Apr 18	Apr 29	July 14	July 25

For rate indications see end of Share Information Service

Call options were arranged in Polly Peck, Turner and Newall, P & O Deferred, London Investment Trust, Combined Technologies, London and Liverpool, Premier Oil, Metals Exploration, Barker and Dobson, Rank Organisation, Yelverton, Sturla, Slough Estates, Vickers, Quest Automation, Town and City Properties, Smith St Aubyn, UBM, Babcock International, Hallis Bros and Burmah. Puts were taken out in British Land and Combined Technologies, while a double was transacted in Sturla.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

[illegible]

FIXED INTEREST

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	1	91	0
Corpns., Dom and Foreign Bonds	13	20	44
Industrials	234	322	775
Financial and Props.	97	117	303
Oils	32	19	58
Plantations	8	2	10
Mines	24	73	55
Others	71	37	55
Totals	478	681	1,311

FINANCIAL TIMES STOCK INDICES

	Mar. 10	Mar. 10	Mar. 14	Mar. 11	Mar. 10	Mar. 8	year ago
Government Secs.	81.40	81.88	81.54	80.78	81.52	80.85	68.01
Fixed Interest	83.14	83.30	89.70	82.42	82.70	81.78	68.83
Industrial Ord.	671.5	278.0	665.8	668.8	670.2	664.2	551.4
Gold Mines	588.7	587.2	591.3	592.6	607.8	584.6	219.6
Ord. Div. Yield	4.72	4.78	4.88	4.84	4.79	4.83	5.72
Earnings, Yld.% (full)	10.06	12.04	10.14	12.17	10.07	10.15	12.33
P/E Ratio (net) (*)	12.21	12.04	11.22	11.88	12.00	11.21	12.50
Total bargains	23,379	24,218	93,025	25,078	24,088	24,823	20,174
Equity turnover £m.	—	220.87	206.33	246.22	276.13	227.66	150.68
Equity bargains	—	20,845	22,851	21,863	22,528	12,046	17,026
Shares traded (ml)	—	154.2	135.0	154.2	171.6	126.2	110.3

12 am 675.0. 11 am 669.1. Noon 669.2. 1 pm 670.7.
2 pm 670.3. 3 pm 672.7.

Basis 100 Govt. Secs. 15/12/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/56. SE Activity 1974.

Latest Index 01-246 8026.

Nil=11.23.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (1/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.72 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	673.0 (15/3/83)	518.1 (5/1/82)	673.6 (15/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 15	Mar. 14
—Daily		
Gilt Edged Bargains	208.4	188.8
Equities Bargains	156.1	148.1
Equities Value	458.6	417.2
5-day Avrge		
Gilt Edged Bargains	182.7	176.8
Equities Bargains	158.8	159.8
Equities Value	471.3	461.5

NEW YORK AND CANADA

Indices

NEW YORK—DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

	Mar 16	Mar 15	Mar 14	Mar 11	1982-83 High	1982-83 Low
Industrials	383.52	385.45	343.02	388.2	388.93 (15/2/83)	249.98 (21/6/82)
Combined	355.02	357.11	343.41	358.61	360.8 (7/3/83)	232.27 (21/6/82)

TORONTO Composite

	Mar 16	Mar 15	Mar 14	Mar 11	1982-83 High	1982-83 Low
Composite	2136.9	2140.4	2154.1	2163.0	2178.0 (7/3/83)	1355.7 (21/6/82)

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 35

[illegible]

COMMODITIES AND AGRICULTURE

U.S. credit package for Thailand

WASHINGTON — A blended credit package has been approved for the sale to Thailand of $20m worth of U.S. cotton and $10m worth of U.S. soyabean products, the U.S. Agriculture Department said.

The Department said the blended credit package will enable Thailand to increase its imports of U.S. agricultural products over the planned level this year.

NEW DELHI — India will spend Rs 380m during the current five-year plan ending March 31 1985 to boost domestic production of oilseeds, especially groundnuts and soyobeans, Mr Bhagwat Jha Azad, Food and Civil Supplies Minister, said.

PORT MORESBY — Papua New Guinea 1983 copra production will be about 120,000 tonnes, comfortably ahead of the 117,000 tonnes contracted for sale Mr David Stewart, Copra Board general manager, said.

Output last year at 131,617 tonnes fell slightly short of the 132,000 tonnes contracted, but Mr Stewart said the board had been conservative in reaching 1983 sales agreements.

Falling world prices exhausted the PNG Government's copra stabilisation fund in July 1982.

Sharp fall in cocoa prices

BY RICHARD MOONEY

COCOA PRICES fell back on the London futures market yesterday in what some traders saw as the second stage of liquidation following the sharp rise staged early this year.

The May quotatioo fell to £1,252 a tonne at one point before ending the day £47 down at £1,286.50 a toone.

Nearby prices climbed more than £250 a tonna in January, helped by the weakness of sterling. Before yesterday'o fall they had eased back about £50.

Prices bave also been buoyed by a turnround in supply demand prospects with crop problems leading to expectations of the first world production deficit since the mid-1970s.

"Fundamentals r e m o l n bullish," said one dealer yesterday, "but the questioo is bow bullisb?"

He said tha steadier tona in sterling bod triggered the latest sell-off, which had been "some time coming."

Latest forecasts are for a crop deficit of around 100,000 tonnes in tha current season. But this would still leave world stocks at a level sufficieot to cover more than four months' supply.

Lower production forecasts bave been due to nnusually bot and dry weather in the main growing areas of Brazil and West Africa.

In the latter this led to busb fires which destroyed crops. But there are also longer term worries. This year's exceptiooally severe harmattan winds will have dried out the ground as well as damaging the growing crop. This is likely to hold back development of next year'o borvest and dealers noted yesterday that distaot positions oo the futures market had not fallen as much as the nearbys.

Rice crops damaged by pests

WASHINGTON — Indonesla's rice imports this year are forecast at 2.3m tonnes, up sharply from 332,000 tonnes estimated for 1982, the U.S. Agriculture Department's officer in Jakarta reports.

Productioo this year is forecast at 22.5m tonnes, up from an earlier forecast of 20.5m compared with 23.2m tonnes estimated for 1982.

The report sald the lats arrival and erratic performance of the curreot rainy season plus reports of pest infestation in several areas are causing concern about the potential for the 1983 rice harvest.

Wheat imports this year are projected to increase to 1.55m tonnes from 1,483,000 tonnes estimated for 1982, wbile corn lmports are forecast at 250,000 tonnes compared with 198,000 imported last year.

The domestic corn crop ls forecast at 4.25m tonnes compared with the drought-impacted 1982 crop of 3.8m tonnes.

JAKARTA — Insect pests known as werengs bave caused serious damage to this year's rice crop in Sumatra, the semi-official Antara News Agency said.

The eight Sumatran provinces, which would normally make a major cootributioo to national rice stocks, will not be able to do so in the coming year after widespread ottacks by the pests, the agency said.

The U.S. Departmeot of Agriculture has estimated Indonesia will have to import at least 2.3m tonnes of rice this year

Reduction in Australian wheat exports forecast

By Our Commodities Staff

WASHINGTON, — Australia'o wbeat exports in the 1982-83 sesson (December-November) are projected at 6.5m tonnes, most of whicb is committed already uoder agreements, compared with 12.1m tonnes exported in the previous seosou, the U.S. agriculture departmeots counsellor in Canberra said.

The drought-reduced crop is forecast at only 8.7m tonnes compared with 16.33m in 1981-82.

However, the report said the Australien wheat board ended the 1981-82 wbeat marketing year last November 30 with a carryover of just over 2.1m tonnes, of which most was located in New South Wales and Victoria.

With deliveries to the Australian Wheat Board from the 1982-83 crop now estimated at 7.8m tonnes, coupled with the projected carryover supplies, total marketable supplies during the December-November crop year will be about 9.9m tonnes, said the report.

About 1.35m tonnes will be reouired for domestic flour milling, with an additional million tonnes required for stockfeed and about 250,000 tonnes for industrial aod direct manufacturing use.

As a result, domestic use will account for at least 2.6m tonnes, leaving 7.3m tonnes available for exports.

Assuming that the Board maintains a minimum safe carryover of about 800,000 tonnes, actual exports during 1983 would amount to about 6.5m tonnes.

The Board has already committed 4.75m tonnes to markets with long-term agreements, leaving only 1.75m toones available to supply the traditional smaller markets.

Ominous drop in salmon netting on east coast

BY A SPECIAL CORRESPONDENT

SALMON NETTING catches for the east coast of Britain in 1982 show a drop of 40 to 50 per cent on the previous season. It was an ominously erratic season, with a dearth of fish in mid-summer countered by a spectacular autumn run.

Uoder the new agreement of salmon-producing countries to adopt a North Atlantic Salmoo Conservation Organisation, British views will be expressed, not directly, but through the European Commission.

The Commissioo will want to be assured, before eotering negotaitions, that the houseo of its members are in order. Alreedy representatives of the Greenland and Faeroes North Atlantics fisheries have responded to criticism by pointing out inefficiencies in Britiob salmon management. British drift-netting is bound to come up for discussion.

Drift-netting at sea is indiscriminate practice in that the salmon being caught originate in a variety of different rivers. Ao unknown quantity break away badly scraped, and subsequently die from skin diseases. At a recent meeting of fishery scientists in Copenhageo representatives from Ireland, Canada and Norway all produced papers showing that monofilament nets damaged even the fish whicb were successfully caught. Broken blood vessels lo the muscles caused staining in the flesh which made the fish less suitable for smoking.

A 1982 Ministry of Agriculture report on the Northumbrian drift-net fishery, the biggest aod most cooteotious, coo tains some startling findings. Tagging tests showed that 94 to 98 per cent of the fisber were on their way back to Scottish rivers, principally the Tweed.

It is estimated that the legal Northumbrian fishery (1981 catcb, 57,000 fish) reduces Scottish east coast catches by about 6 per cent.

Drift-netting was banned ln Scottish waters in 1963. The fact that drift-nets, run by local authorities, exist in England and Wales is a contradiction. The privately-funded and lnfluential Atlantic Salmon Trust (AST) believes all drift-netting, which is indiscriminate, should be phased out. The Trust accepts controlled estuarial netting, taking locally-homing fish, as consistent with sound management.

Poaching at sea increases the total drift-net catch by an amount hard to assess. But in 1977 it was thought that sea poaching more than equalled the legal catch off Northumberland. Scottish netsmen cloim poaching is reaching epidemic proportioos, trawlermen opeoly netting salmon off-shore from Northumberland right up the east coast, and on the north coast of Sutherlaod and Caithness.

Control costs money. Whereas the English water authorities are fioanced principally by an aovironmental service charga from ratepayers, Scottish river boards are usually groups of private individuals finaoced only by levies from riparian owners and netsmen. Declining catches mean lower levies. Most river boards cannot afford the boilliffs and fast, sea-going boats naaded to cootrol poaching.

Salmoo managament faces the root problem of reconciling the interests of aoglers and netsmen, who want fixed and regular fishing seasons, with souod stock management.

Soma of the querieo the European Commlosion could raise may prompt the British Government to introduce the regulstion and scientific management of the salmon resource wbich some feel is overdua.

Cheaper meat cuts claim

BY RICHARD MOONEY

THE CHIEF of Britain's biggest chain of High Street butchers yesterday rejected complaints from farmers that consumers were not being allowed to benefit from depressed prices currently being received by livestock farmers.

Mr Colin Cullimore, managing director of Dewhurst, told a press conference in London that many popular cuts were much cheaper than a year ago. Beef and kidney was cheaper by up to 30p a lb, topside by up to 8p a lb, pork chops by 20 to 30p a lb and pork leg joints to 25p a lb, New Zealand lamb was also down 20p to 30p a lb.

"Everyone knows that farm gate and wholesale prices have dropped," said Mr Cullimore.

"Retail prices are compared on a week to week basis so the change bas been gradnal and the impact on the bousewife of price reductions has been less noticeable."

With volume static, cash turnover was down, he noted. This meant the retailer had to pay his 7 per cent increase in expenses out of a smaller sum of money.

Jute industry fights price rises

BY P. C. MAHANTI IN CALCUTTA

THE INDIAN jote industry, according to rellable sources, is considering a move for one week a mooth block closure of mills between April and August as a way of fighting the runaway tendeocy in the raw jote prices. This bas been caused by the current year's short crop and the Government's "aleepy" response to the demand for imports.

However, the industry will have to obtain government permission for the closure, and co-operation of the workers will be essential. Both will be hard to come by.

Rationing of fibre purchases by mills could be an alternative, but that would not check the sharply rising prices of the fibre as the shortage has become critical. The high fibre prices have already pushed np manufacturing costs so far that Indian jote goods are in danger of losing their competitiveoess both against Bangladesh and synthetics.

The domestic prices for sacking, which is mostly used internally, are already well below manufacturing costs based on curreot fibre prices, industry sources say.

Differences over sugar pact

DIFFERENCES OF opinion among leading sugar exporting countries about market stabilisation arrangements have been highlighted at talks in London this week.

Delegates said the main argument was over special arrangements for Cuban exports to the Soviet Union and African-Caribbean-Pacific countries exports to the EEC.

Australia has been arguing that this trade should be included within export regulations under the International Sugar Agreemeot (ISA).

The London talks are being held to clear the way for a full-scale oegotiating session aimad at agreeing a oew ISA to take effect from the beginning of next year.

In Brussels meanwhile the EEC Commission granted export licences covering 11,750 tonnes of wbite sugar and 28,500 tonnes of raws. Dealers attributed the unusual balance—most exports are usually in white form—to technical factors aod said the total export allotment was in line with expectations.

Jonathan Sharp reports from Bangkok: Thailaod exported a record 2,043,511 tonnes of sugar in 1982, an 81 per cent iocrease in volume over the previous year. However, because of depressed prices, the value was ooly 35 per cent higher, according to official figures.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 15 1983	+ or —	Month ago
Metals			
Aluminium	£810/816	......	£810/815
Free Mkt	$1265/1285	—60	$1250/1280
Copper			
Cash h gradp	£1056.75	—7.26	£1094.5
3 mths	£1088.25	—8.6	£1127.75
Cash Cathode	£1058.25	—8	£1073
3 months	£1068.5	—8.5	£1108
Gold troy oz	$419.5	—15	$408.5
Lead Cash	£294	—3.5	£298.875
3 months	£305.375	—5.875	£311.75
Nickel	£4811	......	£4594
Free mkt	230/260c	+5	202/282c
Palladium	$99	—2	$128.25
Platinum	£266.55	—8	£310.15
Quicksilver†	$335/340	......	$336/346
Silver troy oz	718.10p	—25.15	948.65p
3 mths	736.10p	—25.95	973.10p
Tin cash	£9021.5	+9	£8447.5
3 month	£9047.5	+17	£8482.5
Tungsten	077.97	......	$78.78
Wolfsm 22.04 lb	$86/88	......	$80/85
Zinc Cash	£447.5	—7	£442.5
3 mths	£463.0	—7.75	£457.25
Producers	$750	......	$750/800

	Mar. 16 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$480y	—5	$462.5
Groundnut	‡	......	$440
Linseed Crude	‡	......	£314
Palm Malayan	$375x	......	$375
Seeds			
Copra Philip	$385y	+5	$310
Soyabean (U.S.)	$240	—1.3	$245
Grains			
Barley Fut. May	£131.00	+0.10	£112.55
Maize	£147.00	—1.5	£149.05
Wheat Fut. May	£155.00	+0.45	£151.85
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1304	—47	£1588
Fut. May	£1268.0	—47	£1329.5
Coffee Ft. May	£1762.5	+14.5	£1633.5
Cotton A. Index	71.10c	+0.25	74.00c
Gas Oil Apr.	[illegible]	—1	$241.75
Rubber (kilo)	72p	—5	66.5p
Sugar (Raw)	£108yz	—4	£115
Wooltops 64s	405p kilo	......	402p kilo

‡ Unquoted. x April. y March-April. † Per 16-lb flask. * Ghana cocoa. c Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50	+0.00
Iranian Light	25.50-27.25	—0.50
Arabian Heavy	26.10-26.50	
North Sea (Forties)	28.00-28.05	—0.55
North Sea (Brent)	28.05	+0.45
African (Bonny Lt)	27.50-28.00	—0.65
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	270-278	+ 1.5
Gas oil	236-242	— 0.6
Heavy fuel oil	157-150	—

GAS OIL FUTURES

The market opened $2.00 higher against the New York close but dropped quickly in thin conditions as physicals remained weak. Arbitrage buying kept prices stable in the early afternoon, but the market dropped again on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	235.50	—0.50	232.50-35.00
April	232.50	—1.00	235.25-32.00
May	228.50	—0.75	229.75-27.75
June	226.50	+0.50	228.00-25.75
July	225.75	+0.50	225.00-25.25
Aug	228.00	+0.50	229.50-27.50
Sept	220.50	—	231.00-30.00
Oct	230.50	—0.50	232.00-30.00
Nov	234.00	—1.50	234.00

Turnover: 2,380 (2,949) lots of 100 tonnes.

GOLD MARKETS

Gold fell $13 an ounce from Tuesday's close in the London bullion market yesterday to finish at $419-420. The metal opened at $427½-428½, its high for the day and touched a low of $415-416. Trading was fairly active in the afternoon with the metal's failure to sustain recent levels prompting a little nervous selling.

In Frankfurt the 12½ kilo bar was fixed at DM 32,630 per kilo ($425.01 per ounce) against DM 33,450 ($438.00) previously and closed at $418.5-420.0 from $434.5-436.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $425.50.

In Paris the 12½ kilo bar was fixed at FFr 95,000 per kilo ($432.93 per ounce) in the afternoon compared with FFr 95,000 ($433.57) in the morning and FFr 96,500 ($446.11) on Tuesday afternoon.

In Zurich gold finished at $419½-420½ from $432½-433½.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
March	418.50-20.0	—11.55	—
April	421.50-01.4	—10.85	427.40-17.5
May	424.00-24.4	—10.80	426.50
June	427.20-27.3	—11.15	432.50-25.0
July	430.50-31.0	—11.60	—
August	434.00-34.8	—11.08	430.00-32.7
Sept	437.00-58.0	—11.50	—

Gold Bullion (fine ounce)	Mar. 16		Mar. 15	
Close	$419-420	(£277⅛-278¼)	$432-433	(£285½-286¼)
Opening	$427½-428½	(£282½-283¼)	$437-438	(£288-288¾)
Morning fixing	$424.00	(£281.057)	$436.50	(£288.170)
Afternoon fixing	$412.90	(£278.128)	$434.50	(£286.855)

Gold Coins Mar. 15					
Krugrnd	$433-434	(£287-287¾)	King Sov	$101-103	(£67-68½)
½ Krg	$223-224	(£147½-148½)	Victoria Sov	$101-103	(£67-68½)
¼ Krg	$113¾-114¾	(£75⅜-76)	French 20s	$85.1-90.7	(£55-60)
1/10 Krug	$46½-47½	(£30⅜-31⅜)	50 pesos Mex	$505.0-512.2	(£335⅞-338½)
Mapleleaf	$431-430	(£285¾-287)	100 Cor. Aust	$408.2-411.8	(£269¼-272½)
New Sov	$99-99¾	(£65⅝-66)	$20 Eagles	$560.0-588.5	(£371¼-384½)
½ New Sov	$59-61	(£39-40½)			

EUROPEAN MARKETS

PARIS, March 15.

Cocoa—(FFr per 100 kg): March 1341-1380, May 1425-1428, July 1420 bid, Sept 1470-1480, Dec 1470-1500, March 1480 bid, May 1500 bid.

Sugar—(FFr per tonne): May 1550-1561, July 1610-1630, Aug 1638-1640, Oct 1660-1665, Nov 1660-1670, Dec 1725-1735, March 1830-1835, May 1885-1900.

ROTTERDAM, March 16

Wheat—(U.S. $ per tonne): U.S. No Two Red Winter April 154, May 155, June 148, July 148, U.S. No Three Amber Durum April/May 174, June 174, July 175, Aug 176, U.S. No Two Northern Spring 14 per cent April 171, May 170, June 170, July 171, Aug 172. Canadian Western Red Spring April/May 189, July 190.

Maize—(U.S. $ per tonne): U.S. No Three Yellow spot 134, April cif Ghent 134, March 133, April 133, May 134, June 135, April/June 133, July/Sept 135, Oct/Dec 132, Jan/March 137 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports March 234, April 234.60, May 236.35, June 238.85, July 241, Aug 243.15, Sept 245.25, Oct 243.75, Nov 243.75, Dec 247.75, Jan 252.25, Feb 255.75 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent Afloat 206, May/Sept 209 traded; Afloat 206, March 206, April 208.50, April/Sept 210, May/Sept 210,

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were generally easier on the London Metal Exchange, with the exception of Tin and Nickel. The latter continued to attract good support and moved ahead to trade at £3,440 in late inter-office dealings, while the former rose to £9,042.5 owing to buffer stock support. Copper eased to £1,081.5 on stop-loss selling before rallying to close at £1,090 on arbitrage buying. Lead and Zinc were finally £305 and £465.5 respectively.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1051-2	—8.25	1056.5-7	—7.25
3 months	1083.5-4	—8.25	1086-.0	—8.5
Settlem't	1052	—8	—	
Cathodes				
Cash	1033.4	—9	1038-.5	......
3 months	1064-.5	—9.25	1068-.8	—8.5
Settlem't	1045	—0	—	
U.S. Prod.	1034	—	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,051, 82, 83, 83.00, 82.50, 83, 83.50, 84. Cathodes: Cash £1,034.50. Kerb: Higher Grade: Three months £1,083.50, 84, 83.50. Afternoon: Higher Grade: Three months £1,087, 86.00, 86, 86.50, 86, 87, 86.60, 87, 87.50, 86.50, 87, 87.50, 88, 86.50. Cathodes: Cash £1,039, three months £1,069.00. Kerb: Higher Grade: Three months £1,090, 86.50, 90, 89, 89.50, 90. Turnover: 25,778 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	9080-5	—8	9020-3	+9
3 months	9035-7	—7.5	9045-50	+17
Settlem't	9025	—6	—	
Standard				
Cash	9015-7	—11.5	9020-3	+9
3 months	9055-7	—6.5	9045-50	+16
Settlem't	9017	—15	—	
Straits E.	$30.45	+0.07	—	
New York				

Tin—Morning: Standard: Cash £9,015, three months £9,040, 35, 40, 37, 35, 36. Standard: Kerb: Three months £9,040, 38. Afternoon: Standard: Three months £9,045. Standard: Kerb: Three months £9,045. Turnover: 2,545 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	291.5-2	—7	293.5-4.5	—3.5
3 months	303-4	—6.75	305.25-.5	—5.87
Settlem't	292	—7	—	
U.S. Spot	—	......	—	

Lead—Morning: Cash £294, 93, three months £307, 05.50, 07, 06, 06.50, 06, 06, 04.50, 04. Kerb: Three months £304, 04.50, 06. Afternoon: Three months £304.50, 04, 04.50, 05, 06, 06.50, 05. Kerb: Three months £304.50, 05. Turnover: 20,250 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	447-.0	—9	447-8	—7
3 months	462-.8	—8.5	462-5	—7.75
Settlem't	447.5	—2	—	
Primw'ts	—	......	*40-.75	

Zinc—Morning: Cash £447, three months £462, 63, 62.50, 62. Kerb: Three months £461.50, 62, 61.50, 61, 60.50. Afternoon: Three months £463, 63.00, 64, 64.50, 65, 64.00, 64, 63.50, 63, 62, 63.90. Kerb: Three months £462, 63, 64, 64.50. Turnover: 11,675 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	840-1	—8.75	838.5-9.0	—12.5
3 months	867-.5	—3	865-6	—15

Aluminium—Morning: Late June £867, three months £871, 11.50, 11, 70, 69, 68, 67, 68, 67, 65.50, 67, 87.50, 67. Kerb: Three months £867. Afternoon: Three months £869, 70, 71, 72, 70.50, 69, 68.50, 69, 68, 67, 65.50, 66, 65.50. Kerb: Three months £866, 65, 64, 62, 63, 64, 65. Turnover: 18,375 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3315-20	—37.5	3330-5	+37.5
3 months	3385-90	—45	3390-402	+60.5

Nickel—Morning: Three months £3,385, 80, 95, 60. Kerb: Three months £3,385, 60. Afternoon: Three months £3,385, 80, 85, 90, 95, 99, 3,400. Kerb: Three months £3,400, 05, 10, 15, 25, 30, 30, 30. Turnover: 3,348 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 25.15p an ounce lower for spot delivery in the London bullion market yesterday at 718.15p. U.S. equivalents of the fixing levels were: spot $10.83, down 42c; three-month $11.066, down 42.9c; six-month $11.326, down 43.6c; and 12-month $11.83, down 43.4c. The metal opened at 730-733p ($11.05-11.10) and closed at 711-714p ($10.74-10.79).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	718.15p	—25.1	711.5p	—33.5
3 months	736.10p	—25.2	730.70p	—34.7
6 months	754.45p	—26.5	—	......
12 months	789.10p	—26.6	—	......

LME—Turnover 139 (78) lots of 10,000 ozs. Morning: Three months 736.5, 38.0, 37.5, 38.0, 38.1. Kerb: Three months 738.0, 38.5. Afternoon: three months 733.0, 32.5, 32.0, 31.0, 30.5. Kerb: three months 730.5, 31.0, 32.0.

COCOA

Trade and commission house selling prompted a substantial fall, triggering stops and pushing the market through limit-down levels. Lack of follow-through from New York halted the decline, reports Gill and Duffus.

COCOA	Yest'day's Close	+ or —	Business Done
	£ per tonne		
March	1251-58	—40.0	1270-40
May	1268-68	—47.0	1310-50
July	1277-79	—50.5	1315-67
Sept	1201-03	—48.0	1304-78
Dec	1514-15	—57.0	1320-45
March	1027-00	—54.0	1034-14
May	1340-45	—31.0	1344-32

Sales: 9,329 (3,159) lots of 10 tonnes. ICCO—Daily price for March 15: 87.40 (86.96). Indicator prices for March 15: 87.45 (87.50).

COFFEE

Technical adjustments to close chart gaps produced a slightly easier morning in moderate volume, reports Drexel Burnham Lambert. Prices gradually picked up and with strong commission house buying closed on the highs.

COFFEE	Yesterday's Close	+ or —	Business Done
March	1700-32	+11.0	1150-30
May	1763-63	+14.5	1764-30
July	1650-35	+5.5	1635-16
Sept	1516-77	+6.0	1576-58
Nov	1560-86	+8.0	1525-10
January	1485-81	+0.0	1491-80
March	1441-50	—3.5	1450-40

Sales: 3,695 (2,607) lots of 5 tonnes. ICO indicator prices for March 15 (U.S. cents per pound): Comp. daily 1979 123.70 (123.43): 15-day average 122.64 (122.86).

GRAINS

Old crop wheat opened 20p higher, the rest of the market was unchanged. In light trade May and July wheat reached a high of 80p up before profit-taking emerged on the close. Little interest was shown in barley, reports Acli.

Business done—Wheat: March 133.00-2.70, May 135.40-5.00, July 137.45-6.80, Sept 111.00-6.95, Nov untraded, Jan 122.55-2.45. Sales: 241 lots of 100 tonnes. Barley: March 120.50 only, May 121.20-1.00, Sept untraded, Nov 113.80 only, Jan 117.15-05. Sales: 52 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar	152.70	+0.25	100.50	+0.15
May	135.05	+0.45	131.00	+0.10
July	107.05	+0.45	—	
Sep	117.05	+0.18	110.60	
Nov	119.40	+0.85	113.90	—0.05
Jan	130.50	+0.05	117.10	+0.05

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: May 125.25, June 124.25, July 124.75, transhipment East Coast sellers. English Feed, fob: May/June 135.50 East Coast sellers. Maize: French: March 147 transhipment East Coast seller. Barley: English Feed, fob: March 124.50 Boston, April 124.50, Gunness April/June 125.25, July 126, Aug 11.25 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 118.00, E. Mids 119.30, N. East 120.10, Scotland 118.40. The UK monetary co-efficient for the week beginning Monday March 21 is expected to remain unchanged.

POTATOES

Prices eased slowly down, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	60.40	65.90	66.70-65.00
May	69.00	68.70	70.00-68.00
Nov	68.20	66.80	68.50
Feb	77.40	77.80	77.40
April	88.80	88.00	89.00-88.5

Turnover: 343 (311) lots of 40 tonnes.

RUBBER

The physical market opened slightly easier, drifted lower throughout the day and closed dull, Lewis and Peat reported a March fob price for No. 1 RS in Kuala Lumpur of 248.0 (251.0) cents a kg and SMR 20 242.5 (244.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Apr	715-730	748-758	—
May	720-100	750-157	744
Apl-Jne	708-727	753-756	731
Jly-Sept	748-750	770-760	768-146
Oct-Dec	772-773	808-809	795-776
Jan-Mch	802-808	834-838	814
Apl-Jne	830-833	863-865	844-835
Jly-Sept	860-862	890-890	871-862
Oct-Dec	865-894	910-918	891-885

Sales: 625 (349) lots of 15 tonnes, 1 (14) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 72.00p (75.00p); April 14.50p (76.25p); 75.50p (77.50p).

SOYABEAN MEAL

The market opened unchanged and drifted on commission house selling, reports T. G. Roddick. Trade buying steadied values and prices closed on the highs.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	141.70-41.8	+0.55	141.60-41.05
June	145.50-45.6	+0.30	145.80-42.80
August	144.10-44.5	+0.80	145.00-45.50
October	148.20-48.6	+0.55	148.00-47.50
Dec	155.50-54.5	—	154.00-55.50
Feb	158.50-58.0	—0.16	158.10-58.00
April	160.00-61.0	+0.25	—

SOYABEAN OIL—The market opened unchanged and firmed on trade buying late in the day. Close (U.S. $ per tonne): April 398.00, 403.00, 400.00; June 414.00, 416.00, 414.00; Aug 424.00, 429.00, untraded; Oct 434.00, 446.00, untraded; Dec 441.00, 459.00, untraded; Feb 460.00, 470.00, untraded; April 465.00, 480.00, untraded: Sales 10 (1) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £108.00 (£110.00) a tonne cif March-April-May shipment. White sugar £143.00 (£145.00).

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	111.80-12.00	115.80-15.10	116.25-11.80
Aug	116.25-16.50	122.60-22.15	122.25-19.10
Oct	120.15-20.25	128.05-60.15	128.15-25.60
Dec	135.25-35.00	180.50-54.00	160.75-51.85
March	141.25-41.75	145.00-42.25	142.75-40.55
May	145.25-45.25	147.00-48.50	146.00-43.00

Sales: 3,397 (1,575) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.50 (same) a tonne for home trade and £211.00 (£215.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 15: Daily price 6.17 (0.41); 15-day average 6.15 (6.18).

COTTON

LIVERPOOL — Spot and shipment sales amounted to 79 tonnes. After the major buying in earlier sessions this week, the turnover was regarded as small, but useful inquiry came forward in a variety of styles. Middle Eastern growths, mainly specialities, were widely sought, while the call for North and South American qualities was maintained.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 545.0, 550.0, 551.5-547.5; May 564.1, 564.1, 568.5-564.0; July 585.0, 586.0, 587.5-584.0; Oct 576.5, 577.0, 577.0-575.0; Dec 586.0, 585.0, 586.0-584.0; March 596.5, 597.0, 598.0-596.0; May 602.8, 603.0, 603.5-601.0; July 814.0, 815.0, 515.0-514.0. Sales: 179.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 390, 395, 390; May 400, 402, 402-401; Aug 417, 421, 421-419; Oct 432, 435, 435-427; Dec 435, 438, 436-435; Jan 437, 438, 437; March 443, 448, 443; May 446, 458, 448; Aug 456, 465, 461. Sales: 39.

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 94.22p per kg lw (+1.00). GB—Sheep 186.19p per kg est dcw (+8.25). GB—Pigs 68.08p per kg lw (—0.18).

SMITHFIELD—Pence per pound. Beef: Scotch Killed Sides 77.6 to 82.0; English Hindquarters 94.0 to 96.5, Forequarters 55.8 to 59.3. Veal: Dutch Hinds and Ends 132.0 to 136.0. Lamb: English Small 81.3 to 88.1, Medium 77.3 to 82.0, Heavy 71.0 to 74.5; Scotch Heavy 71.0 to 78.5; Imported: New Zealand PL 50.3 to 51.5, PX 45.8 to 47.0. Pork: English, under 100 lb 33.0 to 50.0, 100-120 lb 42.7 to 48.0, 120-160 lb 38.3 to 44.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Ortaniques — Jamaican: 8.00-9.00. Mandarines—Spania: 4.80-5.20. Kares—Spania: 4.80-5.50. Wilkings—Spania: 0.00-5.50. Minneolas—Jaffa: 4.80-6.50 according to size; Cyprus: 4.50-6.20. Temples—Jaffa: 4.00-6.20. Oranges—Spania: Navels 5.00-6.00; Jaffa: Shamouti 40 5.50, 00 5.80, 50 6.35, 75 0.55, 88 8.86, 105 6.40, 123 5.40, 144 6.25, 168 6.00; Moroccan: Ostustianos 5.40-5.50, Bloods 6.50-8.00. Lemons—Cyprus: 9 kg 2.60-3.80; Spania: tray 5 kg 25/50 1.60-2.00; Jaffa: carton 4.00-5.80. Grapefruit: Cyprus: 23/56 2.80-4.00, 27/56 3.00-4.20; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.20, 48 5.20, 56 4.16, 65 4.60, 75 4.50, 88 4.35, Ruby 3.50-7.00; U.S.: Ruby 8.50-9.00 according to size. Apples—French: 18 kg Golden Delicious 5.00-7.00, Starkcrimson 4.00-5.00, Granny Smith 5.50-8.00; U.S.: Red Delicious 8.50-12.50; Canadian: Red Delicious 8.20-10.00, Spartan 8.00-8.60. Pears—Cape: Williams Bon Chretien 33 lb 7.00-1.50, Beurre Hardy 5.50-7.50; Dutch: Conference 12 kg 8.60, Comice 14 lb 3.90-4.20; Italian: Passacrassane 12-14 lb, per pound 0.10-0.18; Cape: Comice 33 lb 1.50-10.00. Grapes—Cape: Waltham Cross 5.20-5.50, Alphonse 8.30-8.50; Italia: 8.00; Chilean: Thompson 5 kg 10.50-11.00. Strawberries—Israeli: 8 oz 0.80-1.00; Spanish: 8 oz 0.80-0.90; U.S.: 12 oz 1.60. Plums—Cape: Sungold 3.90-5.50, Golden King 3.60. Melons—Cape: white 7.00-7.50; Brazilian: yellow 10 kg 6.00-10.0, small cartons 6.00-5.50; Chilean 15 kg 10.00-12.00.

English Produce: Apples — lb, Bramley 0.06-0.18, Cox 0.12-0.30, Ida Red 0.08-0.10, Spartan 0.06-0.12, Crispin 0.08-0.10. Pears—per lb, Conference, 0.12-0.22, Comice 0.15-0.24. Potatoes—per bag 2.20-3.00. Mushrooms—per lb, open 0.50-0.70, closed 0.40-0.80. Lettuce—per tray 1.20-2.00. Onions—per 55-lb 1.80-2.80. Cabbages—per 25-lb 1.00-1.50; per 28/30-lb white/red 1.50-2.40. Greens—28-lb, Kent 1.80-2.50; Cornish approx 35-lb 3.00-4.00. Brussels Tops—per 28-lb 1.00-2.00. Sprouts—per 20-lb 1.00-1.80. Carrots—per 26/28-lb 1.20-1.80. Turnips—per 28-lb 1.00-1.80. Swedes—per 28-lb 0.80-1.20. Parsnips—per 28-lb 1.20-1.60. Leeks—per 10-lb 2.00-2.40. Cauliflowers—Kent, 12's 2.00-4.00. Rhubarb—per lb, Yorkshire 0.25-0.30. Cucumbers—4.00-5.00. Tomatoes—hot-house, per lb 0.35-0.60. Calebrese — English 10-lb 8.00.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shell cod £3.00-4.00, codlings £2.40-4.00, large haddock £4.40-4.60, medium £3.40-4.40, small £1.80-2.30, large plaice £3.60; medium £3.00-3.80, best small £3.60; lemon sole (large) £8.00, (small) £4.00; rockfish £2.00-3.00; saithe £1.40-2.10.

INDICES

FINANCIAL TIMES

Mar. 15	Mar. 14	M'th ago	Y'ar ago
262.75	262.82	250.40	244.43

(Base: July 1 1952=100)

REUTERS

Mar. 16	Mar. 15	M'th ago	Y'ar ago
1707.8	1721.0	1899.7	1585.2

(Base: September 18 1931=100)

MOODY'S

Mar. 15	Mar. 14	M'th ago	Y'ar ago
1051.0	1030.3	1080.0	990.1

(December 31 1931=100)

DOW JONES

Dow Jones	Mar. 15	Mar. 14	Month ago	Year ago
Spot	107.46	107.08	148.01	125.23
Fut'r	148.51	145.72	150.99	127.12

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, March 15

Precious metals came under renewed pressure because of continued pessimism that Opec can effectively hold the new oil price; deliberate undercutting of prices by the USSR was taken by the market as a confirmation of major pricing problems yet to come; prices closed sharply lower as technical selling gained momentum. Copper prices were moderately lower in anticipation of a bearish housing starts report to be released after the close. Heating oil prices were moderately lower in a market looking for clues regarding Opec actions. Sugar came under pressure due to discounting in the spot market by the Dominican republic and due to a delay in reappointment of new quotas. Arbitrage selling plus a correction of an over-sold position and dealer selling depressed cocoa prices. Coffee prices were lower as commission house liquidation kept pressure on values. Cotton prices rallied on continued concern about adequate supplies of quality cotton. Grains and soyabeans rallied strongly following a private planting intentions report (by Heinold Commodities) indicating a sharp reduction in maize acreage and a further moderate cutback in soyabean plantings; most months in the new crop made new contract highs, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1691	1689	1668	1740
May	1751	1795	1735	1795
July	1783	1795	1785	1822
Sept	1803	1820	1790	1841
Dec	1833	1840	1815	1872
March	1858	1851	1850	1897
May	1883	—	—	1922
July	1908	—	—	1947

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
March	122.10	122.50	121.30	122.52
May	120.83	121.50	120.41	121.49
July	120.17	120.65	118.50	120.52
Sept	119.26	110.70	116.70	119.00
Dec	117.01	117.50	118.70	117.02
March	114.76	—	—	114.00
May	111.50	—	—	110.73
July	109.13	106.00	108.00	105.90

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
March	72.85	73.95	72.75	73.40
April	73.10	—	—	73.70
May	73.65	75.20	73.50	74.45
July	75.35	76.20	74.90	75.95
Sept	76.70	77.50	76.25	77.30
Dec	78.40	79.25	78.10	79.09
Jan	76.00	79.35	76.10	79.85
March	80.10	80.50	79.65	00.75
May	81.15	82.15	81.00	81.80
July	82.20	82.45	82.25	82.85

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
April	73.05	73.80	72.60	73.95
May	72.40	72.00	71.81	72.87
June	72.36	72.80	71.80	72.76
July	72.70	79.10	72.10	72.86
August	73.25	73.70	79.25	73.68
Sept	74.00	74.75	73.60	14.38
Oct	74.76	74.50	74.60	75.10
Nov	75.96	76.25	75.50	76.00
Dec	76.70	77.25	76.50	71.00

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	72.53	73.05	72.25	12.26
July	71.86	72.20	71.30	71.22
Oct	70.35	70.00	69.00	69.76
Dec	69.92	70.40	69.28	69.20
March	71.06	71.25	71.25	70.43
May	71.90	—	—	71.30
July	72.40	—	—	71.90

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	418.1	421.0	411.5	426.2
April	410.5	424.5	411.0	427.3
May	422.4	—	—	430.0
June	426.4	430.7	423.0	433.0
Aug	431.7	436.0	430.0	440.3
Oct	438.3	441.6	436.0	447.0
Dec	445.1	450.0	442.0	453.0
Feb	452.0	454.0	450.0	460.6
April	459.1	461.0	461.5	468.1
June	466.4	467.0	467.0	475.5
Aug	473.5	—	—	483.1
Oct	481.7	—	—	491.0
Dec	489.0	493.0	485.0	499.2

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	113.35	114.75	113.00	118.20
May	109.35	109.50	109.05	108.80
July	106.20	208.75	106.10	108.08
Sept	107.95	105.00	107.00	107.30
Nov	105.80	106.20	105.80	105.50
Jan	103.40	103.80	103.00	103.00
March	103.70	104.20	103.50	104.00
May	100.00	104.80	104.80	104.80
July	104.50	—	—	104.80

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
March	404.6	405.0	402.0	414.1
April	406.1	409.5	395.5	415.0
May	407.1	409.0	409.0	—
July	413.4	417.0	407.0	422.4
Oct	420.7	428.0	418.0	429.8
Jan	428.4	428.5	427.0	437.0
April	436.2	441.0	435.0	445.4

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	1061.7	1083.0	1062.0	1105.7
April	1065.0	1073.0	1071.0	1109.0
May	1073.0	1097.0	1070.0	1110.0
July	1089.1	1115.0	1089.0	1136.0
Sept	1106.7	1130.0	1104.0	1154.0
Dec	1132.2	1100.0	1131.0	1181.0
Jan	140.7	1145.0	1140.0	1190.0
March	1158.0	1162.0	1158.0	1208.0
May	1179.0	1195.0	1176.0	1225.0
July	1194.0	1200.0	1194.0	1244.0

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
May	8.40	8.48	8.39	8.56
July	5.93	6.73	8.62	5.79
Sept	5.98	7.09	6.97	7.12
Oct	7.24	7.34	7.23	7.38
March	8.31	8.37	8.30	8.44
May	8.58	0.65	8.55	8.72
July	8.86	9.00	8.85	5.01

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	66.17	66.87	65.50	65.45
June	66.82	67.30	66.35	66.42
August	64.00	65.27	64.75	64.77
Oct	62.07	62.25	61.00	61.82
Dec	62.97	63.10	62.85	62.95
Feb	62.95	62.65	62.85	62.85

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
April	50.65	51.15	50.57	00.65
June	54.07	54.40	53.90	54.02
July	54.65	54.95	54.00	54.70
Aug	52.32	52.97	52.20	52.45
Oct	47.80	48.00	47.70	47.90
Dec	47.75	48.22	47.75	47.70
Feb	47.05	47.70	47.05	48.00
April	46.20	46.20	46.00	45.60
June	48.80	47.00	48.75	46.50

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	284.4	284.5	277.2	278.0
May	292.2	294.4	288.2	287.0
July	299.0	301.0	292.0	293.4
Sept	296.0	298.0	291.4	290.2
Dec	297.2	297.8	292.0	291.6
March	305.2	305.4	300.0	300.2
May	311.4	311.5	307.0	306.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
March	73.00	74.30	72.75	73.37
May	74.05	75.25	73.40	74.20
July	74.02	75.20	73.50	74.40
Aug	72.15	73.40	71.80	72.92
Feb	62.92	64.00	62.80	63.87
March	61.50	63.00	61.50	62.00
May	63.05	64.05	63.05	65.05
July	64.00	66.00	[illegible]	66.00

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	583.4	586.0	571.4	573.6
May	597.0	599.4	586.0	587.2
July	609.4	612.0	597.4	600.2
August	614.0	617.0	602.4	605.0
Sept	617.4	515.0	606.0	607.4
Nov	628.0	630.2	616.0	010.2
Jan	641.4	642.4	628.4	631.4
March	654.4	654.4	642.0	644.4
May	665.0	555.0	663.0	656.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	174.0	174.5	169.5	170.5
May	171.5	178.2	174.0	174.7
July	181.2	182.0	177.3	178.4
August	183.2	183.6	179.8	180.5
Sept	185.0	186.0	182.0	182.0
Oct	186.5	197.0	183.5	183.7
Dec	191.0	192.0	187.0	188.0
Jan	193.0	193.5	186.5	190.1
March	196.5	198.5	197.0	196.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	17.11	11.25	16.86	16.93
May	17.35	17.55	17.10	17.17
July	17.76	11.92	17.49	17.56
August	17.91	18.01	11.65	17.70
Sept	18.02	18.15	18.00	17.86
Oct	18.15	18.35	18.15	18.00
Dec	13.00	18.80	18.25	18.28
Jan	18.69	18.76	15.00	18.45
March	15.95	18.95	15.89	18.76

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	325.0	326.0	318.4	320.6
May	335.0	337.0	329.0	330.0
July	343.4	345.6	339.0	341.2
Sept	353.6	355.4	349.4	351.2
Dec	369.0	370.4	364.5	366.4
March	381.2	383.4	378.4	379.0

SPOT PRICES—Chicago loose lard 18.00 (18.00) cents per pound. Handy and Harman silver bullion 1079.0 (1128.0) cents per troy ounce. New York tin 627.0-31.0 (633.0-35.0) cents per pound.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or -	Int.	Red.
98⅞	85¼	Aust. 6pc 1981-83 ...	98¼	+¼	6.22	11.15
83¼	57	N Z 7¼pc 1988-92	75½	-¼	9.79	15.94
43½	14¾	Do 7½pc '83-86 ...	90¼	..	0.44	11.67
167	136	S Rhod 2½pc Non-Ass	162	..	—	—
80	58	Do 3½pc 80-85 Assd	76xd	..	4.61	15.40
55	32	Do 4½pc 87-92 Assd	46	..	10.31	17.00
402	318	Zimbabwe Ann1(£100pd)	328xd	+1	—	10.94

LOANS
Public Board and Ind.

High	Low	Stock	Price £	+ or -	Int.	Red.
77½	57¾	Agric Mt 5pc '59-89	76¼	-½	6.60	10.33
38	24¾	Met Wtr 3pc 'B'....	32½	-¼	9.05	11.61

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
282	182	ANZ SA1	203	+8	Q28c	3.1	7.9	4.1
315	205	Alexanders D. £1	283	-5	20.0	—	10.1	—
£90½	£48	Algemene Fl 100	£90	...	vQ26%	ϕ	7.2	ϕ
116	75	Allied Irish. ..	116	+2	Q45.3%	4.0	0.9	3.6
164	77	Arbuthnot (H) 50p	77	.	3.5	—	6.5	—
290	200	Bk. Ireland £1	290		Q24%	—	9.2	—
3½	2	Bank Leumi.....	2½	.	—	—	—	—
•227	130	Bk.Leumi (UK)£1.	165xd	..	10.15	—	8.8	—

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
237	147	Low (Wm.) 20p	234	.....	8.0	3.0	4.9	8.7
155	95	Matthews (B)..	148	.....	†4.38	3.1	4.2	(8.4)
188	152	Maynards	164	.....	9.75	1.4	8.5	(10.5)
94	75½	Meat Trade Sup..	80	.....	6.75	0.8	12.1	(15.2)
182	130	Morris'n(W.) 10p	174	+2	†1.4	6.8	1.2	17.8
£25½	£16⅝	Nabisco Brands Inc.	£22⅞	+½	Q$2.28	—	6.7	—
84	50	Needlers	62	.....	4.0	ϕ	9.9	ϕ
480	178	Nichols (Vimto)..	480	.....	†10.0	2.4	3.0	19.7
202	136	Northern Foods	196	-4	5.75	2.2	4.2	12.6
188	132	Nurdin P'k. 10p	152	-2	†d2.7	3.6	2.5	14.6
141	71	Paterson Jenks.	134	.....	†d2.33	5.6	2.5	13.5
107	40	Pyke Hldgs. 10p..	100	-2	d2.0	3.9	2.9	(9.9)
69	47½	R.H.M.........	58½	+½	3.86	1.9	9.4	6.5
248	154	Rowntree M. 50p	244	+4	0.8	ϕ	5.3	ϕ
£34⅛	£13¾	Safeway $1.66⅔..	£31¾	-¼	Q$2.80	—	5.9	—
453	258	Sainsbury (J.)...	400	-5	††4.88	3.6	1.7	10.4
59½	28½	Singlo 10p	56	.....	§1.38	2.5	5.6	(10.8)
153	102	♦Slimers Foods 10p..	153	....	b2.0	3.6	1.9	16.1
155	25	Somportex	48	-2	1.5	—	4.5	—
42	26½	Squirrel H'n 15p	32	...	1.87	2.9	8.4	5.5
304	158	Tate & Lyle £1.	300	-4	13.5	2.9	6.4	6.1
34	21	Tavener Rut. 20p	26	.....	—	—	—	—
•134	48	Tesco 5p	132	-2	†3.0	2.4	5.2	12.7
£129	£111	Do 9pc Cnv.Ln 2002-07.	£129	.....	Q9%	—	†7.4	—
115	80	Unigate	91	-1	6.5	1.6	10.2	(7.4)
147	105	United Biscuits.	145	-1	5.25	2.2	5.2	10.6
77	52	Watson Philp 10p	77	.....	9.0	2.0	7.3	9.5

HOTELS AND CATERERS

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
24	15½	Comfort Int. 10p	29	+2	0.6	1.3	3.0	36.3
225	175	De Vere Hotels.	223	...	6.0	0.5	3.8	—
43½	27	Epicure 5p	40	....	†d1.75	2.0	6.9	9.9
•131	96	♦Gardnich Rest. 10p	112xr	.....	b1.86	5.2	2.4	(14.9)
366	171	Grand Met. 50p	343	-10	0.38	2.5	3.5	12.9
35	24	♦Inn Leisure 5p	33	.....	ud0.42	5.7	1.8	16.5
203	127	♦Kennedy Br'kes 10p..	185	.....	1.23	ϕ	1.0	ϕ
05	45	Kursaal (M't.c25)	45	..	BIQ11.3%	—	‡	—
197	127	Ladbroke 10p....	195	-2	†7.45	2.0	5.4	10.7
•36½	15	Mt. Charlotte 10p	36½	.....	0.89	ϕ	3.6	ϕ
36	20	Norfolk Cap 5p.	31	.....	0.5	—	2.3	—
72	50	Prince of Wales	72	.....	2.0	3.2	4.0	(8.7)
42½	26	Queen's Moat 5p.	42	-½	b1.21	2.0	4.1	(14.9)
•£164	£108	Do. 10½pc Cnv. 89-91	£164	.	Q10½%	9.8	†6.6	—
174	126	Rowton Hotels..	174	.....	7.0	2.7	5.7	20.5
13	3	Ryan Hotels 5p.	9	-½	—	—	—	—
254	180	Savoy "A" 10p.	254	+2	1.15	2.2	0.6	(10.9)
•74½	63	Stakis 10p	74	.....	1.76	2.7	3.5	12.5
182	110	Trusthouse Forte.	173	.....	7.0	1.3	5.8	(17.8)
395	275	Wheeler's 10p..	315	.....	5.88	2.3	2.7	19.0

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
107	74	A.A.H.	93	+2	†5.2	2.5	8.2	6.5
£31½	£15½	AGA AB K50....	£31½	....	Q17½%	ϕ	2.4	ϕ
•340	241	AGB Research 10p	338	....	17.0	1.5	3.0	36.7
109	75	AIM 10p	77	....	†d5.75	0.8	10.7	17.5
10	24	Aaronson Bros. 10p..	45	-1	1.2	ϕ	5.8	ϕ
43	28	Abbey Ltd.	34	+2	Q22.5%	2.1	15.1	4.5
68	47	Advance Services 10p	60	+1	3.3	0.9	6.9	22.1
340	170	Aero & General	245	-5	3.5	2.2	2.0	26.2
21	17	Aero Needles ...	38	.....	—	—	—	—
138	46	Alpine Hldgs. 5p.	132	...	ϕ5.25	1.0	5.8	23.3
43	32½	Amber Inds. 10p..	40	.....	3.0	2.1	30.7	6.4
47	36	♦Anglo Nordic 5p	37½	-½	b1.26	2.0	4.8	14.9

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INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	15½	Inter-City 20p	36	−1½	—	—	—	—
197	158	[illegible]	176	.....	u4.0	1.8	1.3	24.4
210	145	Jacksons Bourne	180	.....	5.0	3.1	4.0	11.7
32	19	James Inds. 10p	27	+1	1.25	1.9	6.6	11.3
180	105	Jardine M HK$5	142	−4	1092c	2.3	6.3	6.9
48	15	Jenks & Cattell	30	.....	Z1.0	—	4.8	—
308	187	Johnson Clns.	308	.....	‡17.7	2.5	3.6	17.1
340	227	Johnson Mthy. £1	325	−3	10.0	1.9	4.4	(14.2)
286	98	Johnson Grp. 10p	286	.....	4.0	6.2	2.0	11.4
102	64	Jourdan (T.) 10p	98	−2	5.6	ϕ	0.5	ϕ
48	35	Kalamazoo 10p	41	.....	2.5	0.9	9.0	17.7
212	135	Kelsey Inds.	210	.....	0.0	1.7	5.4	14.5
310	110	Kershaw (A.) 5p	130	.....	15.0	0.6	16.5	(12.4)
55	36	Kleen-E-Ze Hldgs.	48	.....	‡3.0	0.2	8.9	—
66½	42½	L.C.P. Hlds	64	.....	1.6	0.6	8.0	(19.4)
119	39½	L.R.C. Int. 10p	119	.....	‡3.1	2.0	5.7	20.1
24	16	[illegible] Hldgs. 10p	23	.....	1.2	1.8	8.0	8.1
46	26	Lawtex	28	+1	—	—	—	—
440	277	Lep Group 10p	405	.....	17.5	1.7	6.2	(11.0)
37	22	Lilleshall 10p	25	.....	‡2.5	—	‡	—
700	39	Lon. & Liv. 10p	422	+12	†2.45	2.4	0.8	61.5
117	70	London & Mid'd	117	.....	7.75	1.1	9.5	(14.0)
63	36	Lon. & Nthn. Grp.	62	.....	†3.75	2.1	8.6	6.6
43	23	♥Lon. Prv. Health	37	.....	—	—	—	18.5
10	3½	Long Hmbly. 10p	7¼	+¼	B—	—	—	—
65	36	Longton Inds	47	.....	1.0	—	5.0	—
195	55	Low & Bonar 50p	78	.....	†7.0	0.6	12.8	(21.4)
27½	14	M.Y. Dart. 10p	19½	.....	‡h1.21	—	‡	—
242	105	M'c'rthy Ph. 20p	157	+4	7.0	2.5	6.4	7.4
[illegible]								

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
18½	13	GRA Group 5p	16	.....	—	—	[illegible]	[illegible]
62	32	Grampian TVA 10p	49	.....	†1.25	3.0	[illegible]	[illegible]
172	107	HTV Non/Vtg.	163	.....	11.0	2.0	[illegible]	[illegible]
234	139	Horizon	185	.....	†h3.0	5.3	[illegible]	[illegible]
151	90½	Intasun 10p	127	+3	3.5	4.8	[illegible]	[illegible]
182	112	LWT "A"	161	.....	11.08	1.7	[illegible]	[illegible]
263	116	♥Leisure Inds.	263	.....	66.0	3.0	[illegible]	[illegible]
152	64	Leisuretime Int 10p	145	−2	1.54	ϕ	[illegible]	[illegible]
132	80	[illegible] 10p	110	.....	8.75	1.6	[illegible]	[illegible]
67	54	Medminster 10p	60	.....	†4.0	0.8	[illegible]	[illegible]
275	85	♥Mrs. Int 20c	85	−2	—	—	[illegible]	[illegible]
85	13	Norton & Wrt. 10p	85	.....	†c2.0	0.5	[illegible]	[illegible]
28	14	♥Owners Abroad	27	.....	u0.35	4.5	[illegible]	[illegible]
65	41	Photax (Lon.)	42	.....	‡3.5	1.8	[illegible]	[illegible]
153	80	♥[illegible]	122	−6	ud1.5	2.1	[illegible]	[illegible]
570	149	Pleasurama 5p	568	.....	7.5	4.5	[illegible]	[illegible]
133	88	♥Radio City 'A' NV	132	.....	a6.6	1.6	[illegible]	[illegible]
*163	82½	Riley Leisure 10p	161	.....	24.1	1.7	[illegible]	[illegible]
179	84	Saga Hols. 20p	93	−1	d3.73	—	[illegible]	[illegible]
445	125	Samuelson 20p	410	.....	‡d12.0	2.8	[illegible]	[illegible]
107	76	Scott. TV 'A' 10p	100	.....	†7.0	3.8	[illegible]	[illegible]
70	21	♥SelecTV 10p	53	−1	—	—	[illegible]	[illegible]
10	13	TSW 5p	15½	.....	0.7	3.3	[illegible]	[illegible]
52	28	♥TVS N/Vtg 10p	34	.....	—	—	[illegible]	[illegible]
100	55	Trid'nt TV 'A' 10p	90	+3	4.26	1.4	[illegible]	[illegible]
215	92	♥21st Century Dist	145	.....	—	—	[illegible]	[illegible]
27½	15	Webb (Jos.) 5p	18	.....	d0.51	0.3	[illegible]	[illegible]
93	69	Zetters 5p	80xd	.....	2.75	2.9	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh 50c	250	.....	Q25c	10.3	7.0
33	17	Wankie Col. Z$1	17	.....	†Q3c	1.2	12.0
28	12	Zam Cpr. SBD0.24	29	−1	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	17	−½	—	—	—
28	6	♥Argosy Gold NL 25c	7	.....	◆—	—	—
25	13	Balmoral Resources	13	.....	—	—	—
63	42	♥Black Hill Mins	46	.....	—	—	—
151	52	♥Bond Corp	61	+1	aQ10c	2.3	10.0
154	58	♥Bougainville 1 Kina	138	.....	Q3.42c	◆	1.6
273	147	♥CRA 50c	266	+1	Q3c	—	0.6
154	10	♥Carr Boyd 20c	80	−2	—	—	—
56	20	♥Central Pacific	20	.....	—	—	—
380	152	♥Crusader Oil	225	[illegible]	—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]							
125	25	♥Anglo Utd. Dev.	90	.....	—	—	—
135	27	♥Colby Res Corp.	80	.....	—	—	—
485	170	Cons. Murch. 10c	440	.....	‡Q60c	1.9	‡
8	1½	‡‡Exploura Gold	4	.....	—	—	—
155	55	♥Highwood Res	123	−2	—	—	—
£20¼	£12½	Homestake Hmng $1	£17	−¼	Q40c	—	1.6
495	160	Northgate C$1	390	+5	—	—	—
552	344	R.T.Z.	515	−0	16.0	1.6	4.4
£122	£84	Do 9½% Cv Uns Ln '95-2000	£118½	−1½	Q9½%	23.9	8.2
33	11	♥Sabina Inds C$1	28	.....	—	—	—
17½	12½	♥Southwest Res 10p	15	.....	—	—	—
530	270	♥Tara Exptn $1	455	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- B No par value

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	50	+1
Bertrams	17#	.....
Bdg'wtr. Est. 50p	495	.....
Craig & Rose £1	£12	.....
Finlay Pkg. 5p	37	+1
Graig Ship £1	£19	.....
Higsons Brew	107	.....
Holt (Jos) 25p	905	.....
I.O.M. Stm. £1	85	−3
Pearce (C. H.)	£13½	.....
Peel Hldgs.	172	.....

IRISH

Exch. 15pc 1983	£99⅞	−⅛
Nat. 9¾% 84/89	£85⅞	.....
Fin. 13% 97/02	£92½	.....
Alliance Gas	106	.....
Arnott	195	.....
Carroll (P.J.)	95	+2
Concrete Prods.	47	.....
Helton (Hldgs.)	13	+3
Ins. Corpn. Ireland	340	.....
Irish Ropes	28	.....
Jacob	68	.....
T M G	85	.....
Unidare	42	.....

OPTIONS

3-month Call Rates

Industrials		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	15	I.C.I.	24	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	15
B S R	6	I.C.L.	8		
Babcock	10	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs.	26
Boots	22	"Lofs"	4	MEPC	17
Bowaters	14	London Brick	13	Peachey	14
Br. Aerospace	20	Lucas Inds.	12	Samuel Props.	10
B.A.T.	50	"Mams"	13	Town & City	5
Brown (J.)	4	Mrks. & Spncr	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N E I	9	Brit. Petroleum	26
Courtaulds	0	Nat. West. Bank	38	Burmah Oil	12
Debenhams	0½	P & O Dfd	14	Charterhall	5
Distillers	20	Plessey	50	KCA	8
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	38	R.H.M.	6	Shell	35
F N F C	4	Rank Org. Ord	15	Tricentrol	22
Gen. Accident	30	Reed Inml.	26	Ultramar	42
Gen. Electric	24	Sears	4		
Glaxo	45	T.I.	13	**Mines**	
Grand Met.	25	Tesco	8	Charter Cons.	28
G.U.S. 'A'	50	Thorn EMI	38	Cons. Gold	40
Guardian	35	Trust Houses	13	Lonrho	8
G K N	15	Turner & Newall	4	Rio T. Zinc	42
Hawker Sidd	30	Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm, but sterling still nervous

The dollar was steady in fairly thin foreign exchange trading, supported by firm Eurodollar interest rates, and the lack of any downward pressure on New York rates during the present period of U.S. Treasury funding.

Sterling suffered an early decline, more in reaction to doubts about world oil prices than the cut to clearing bank base rates. It then stabilised for the rest of the day, but still looked vulnerable to the possibility of Britain and Nigeria undercutting each other on the price of similar grade crude.

The EMS remained in a state of turmoil, with the weaker members quoted on very wide dealing spreads. The Belgian franc weakened once again, and the French franc fell sharply in very volatile trading.

DOLLAR — Trade-weighted index (Bank of England) 120.4 against 122.7 six months ago. The dollar has shown renewed strength as a safe haven for funds during a time of extreme uncertainty about the effects of falling oil prices on other currencies. U.S. interest rates have not fallen as sharply as once expected, partly because of the high level of Federal funding. These factors are tending to outweigh the present trade position and balance of payments deficit.

The dollar rose to FFr 6.85 from FFr 6.75 against the French franc; to SwFr 2.0525 from SwFr 2.0510 against the Swiss franc; and to Y237.40 from Y237.25 in terms of the Japanese yen, but eased to DM 2.3830 from DM 2.3870 against the D-mark.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5005. Trade-weighted index 79.3 against 79.4 at noon, 79.5 at the opening, 79.4 at the previous close, and 91.6 six months ago. Sterling remains weak and vulnerable because of uncertainty about world oil prices. The pound is not particularly interest rate sensitive at the moment and has not reacted unfavourably to the cut in clearing bank base rates, but fears continue to overhang the currency about a possible oil price war between Britain and Nigeria despite the recent Opec agreement.

Sterling opened at $1.5130-1.5140, the day's high, and was around $1.5070-1.5080 for most of the day, before touching a low of $1.5040-1.5050, and closing at $1.5075-1.5085, a fall of 65 points on the day. The pound fell to DM 3.5950 from DM 3.6175; to SwFr 3.0950 from SwFr 3.1075; and to Y358 from 359.50, but rose to FFr 10.3250 from FFr 10.22.

D-MARK — Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. February average 2.4260. Trade-weighted index 130.6 against 124.9 six months ago. A right of centre win in Germany's general election was largely anticipated by the market and emphasis is now switching to hopes of lower German interest rates and increased strains in the EMS as pressure grows on the weaker members.

The D-mark improved against the weaker members of the EMS as pressure started to increase ahead of any possible weekend realignment. There were obviously considerable restraints on speculative transactions considering recent interest rate levels and currency trading restrictions. The Belgian franc fell to DM 5.1150 per BFr 100 from DM 5.2040 and the French franc was weaker at DM 35.025 per FFr 100 from DM 35.380. Elsewhere the dollar rose to DM 2.3867 from DM 2.3766.

BELGIAN FRANC — Trading range against the dollar in 1982-83 is 50.21 to 38.12. February average 47.48. Trade weighted index 95.8 against 94.5 six months ago. The Belgian franc has improved sharply within the EMS following the introduction of emergency foreign exchange restrictions. After a long period of pressure and heavy support from the Belgian National Bank, the franc has moved to the top of the EMS, underlining the determination of the authorities to avoid a devaluation.

The Belgian franc was trading comfortably above its lower intervention levels in Brussels yesterday. Figures released showed that in the week preceding introduction of emergency controls, the Belgian central bank spent the equivalent of BFr 38bn in support operations, down from a record BFr 41bn the previous week. Since then the authorities have found it unnecessary to intervene on any significant scale. The D-mark rose at the fixing to BFr 19.58 from BFr 19.1785 and the French franc was higher at BFr 6.8425 from BFr 6.80.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	44.5387	−0.96	+0.87	±1.5501
Danish Krone	8.23400	8.16069	−0.89	+0.94	±1.6430
German D-Mark	2.33379	2.26658	−2.88	−1.05	±1.0888
French Franc	6.61387	6.51006	−1.57	+0.26	±1.3940
Dutch Guilder	2.57971	2.51485	−2.51	−0.68	±1.5004
Irish Punt	0.691011	0.686179	−0.70	+1.13	±1.6691
Italian Lira	1350.27	1346.60	−0.27	+0.57	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Mar. 16	£	$		£ Note Rates
Argentina Peso	96,116-96,816	63,800	Austria	25.25-25.55
Australia Dollar	1.7236-1.7255	1.1440-1.1447	Belgium	74.50-75.25
Brazil Cruzeiro	503.63-597.53	394.06-396.03	Denmark	12.81-13.04
Finland Markka	8.1200-8.1280	5.3870-5.3890	France	10.10-10.39
Greek Drachma	124.714-127.976	83.85-84.00	Germany	3.58¼-3.62¼
Hong Kong Dollar	9.97-9.99	6.6220-6.6270	Italy	2110-2160
Iran Rial	127.30*	83.75*	Japan	357-362

CURRENCY RATES

CURRENCY MOVEMENTS

Mar. 16	Bank of England Index	Morgan Guaranty Change %
Sterling	79.3	−40.4
U.S. dollar	120.4	+10.8
Canadian dollar	90.7	−16.0
Austrian schilling	120.5	+30.8
Belgian franc	95.8	−0.8
Danish kroner	84.1	−10.3
Deutsche mark	130.5	+57.2

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

EXCHANGE CROSS RATES

FINANCIAL FUTURES

Gilts easier

Gilt prices lost ground in the London International Financial Futures Exchange yesterday. Sentiment was influenced by movements in the cash market where trading experienced a brief delay at the start of the day as results of the 10½ per cent 1986 offering were announced. News that the entire £1bn had been sold eventually led to a bit of indigestion and with sterling moving below the $1.5100 level, the market showed a weaker trend for the rest of the day. Continued uncertainty over the price of North Sea oil was also a contributory factor. The June price opened at 105-18 and fell to a low of 104-09 before finishing at 104-13, down from Tuesday's close of 105-11.

Trading in short sterling deposit futures was rather dull for much of the day with volume less than half the previous day's total. The June contract opened unchanged at 90.33 and moved in a narrow 11 point spread before finishing at 90.30.

Activity in the Euro-dollar sector was also a little subdued. On the one hand was an official desire to see interest rates lower especially with economic indicators due likely to prove slightly less encouraging. However, a Federal refunding package over the next few weeks of some $29bn including $10bn of fresh money was unlikely to provide a favourable background for a weaker trend in rates. Yesterday's June price opened at 90.66 unchanged from Tuesday's close in London and touched a high of 90.68 before slipping to 90.60. It closed at 90.63.

Trading in the currency pit was dominated by oil price fears and a steady pre-weekend build up in pressure on the weaker members of the EMS.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.63	90.68	90.60	90.66
Sept	90.43	90.48	90.41	90.47
Dec	90.28	90.33	90.28	90.28
March	90.10	90.10	90.19	90.23
June	90.20	—	—	—

Volume 824 (1,246)
Previous day's open int 3.556 (3.409)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	76-21	76-28	76-11	76-24
June	75-31	76-05	75-21	76-01
Sept	75-13	75-18	75-01	75-14
Dec	74-31	75-03	74-21	74-31
March	74-17	74-22	74-08	74-15
June	74-06	74-10	73-30	74-07
Sept	73-30	74-00	73-20	73-30
Dec	73-22	73-26	73-12	73-22

MONEY MARKETS

Further cut in intervention rates

UK clearing bank base lending rate 10½ per cent (since March 15 and 16)

The Bank of England continued to follow money market dealing rates down yesterday. In early trading discount houses buying rates for three-month Treasury and eligible bank bills were around 10½ per cent, compared with the previous official buying rate of 10⅝ per cent for similar dated paper, but when the Bank of England intervened to provide assistance to the market dealing rates were trimmed again, to 10½ per cent for band 4 bills, giving further encouragement to hopes of another reduction in clearing bank base rates within the next few weeks.

The Bank of England forecast a money market shortage of £700m. Exchequer transactions added £150m to liquidity, but was heavily outweighed by bills maturing in official hands, and a take-up of the Treasury bill tender of £192m; bills for repurchase by the market through unwinding repurchase agreements of £498m; and a rise in the note circulation of £60m.

Total help provided by the authorities was £718m. Before lunch the Bank of England bought £306m bank bills outright by way of £53m bills in band 1 (up to 14 days maturity) at 10⅞ per cent; £194m bills in band 2 (15-33 days) at 10⅝ per cent; £34m bills in band 3 (34-63 days) at 10½-10⁹⁄₁₆ per cent; and £25m bills in band 4 (64-84 days) at 10½ per cent.

In the afternoon another £413m bills were purchased, including £176m outright through £33m bank bills in band 1 at 10⅞ per cent; £57m bank bills in band 2 at 10⅝ per cent; £59m bank bills in band 3 at 10½ per cent; £10m Treasury bills in band 4 (64-91 days) and £17m bank bills in band 4 at 10½ per cent. The assistance was completed by £237m bills bought for resale on March 30 at 10⅝-10⅝ per cent.

In Paris the Bank of France offered to inject liquidity into the banking system by acquiring first category paper maturing in April and May 1-20, for value Monday. The scale of assistance and interest rate applicable will be announced tomorrow, but is expected to remain at 12½ per cent.

LONDON MONEY RATES

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

MONEY RATES

FT LONDON INTERBANK FIXING

HOLIDAY ACCOMMODATION

PUBLIC NOTICES

CLUBS

PERSONAL

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

COMPANY NOTICES

ART GALLERIES

CLASSIFIED ADVERTISEMENT RATES

EXHIBITIONS

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued